DOCUMENT RESUME

ED 151 549 08 CE 015 093

AUTHOR Clark, Barbara; And Others
TITLE The Assertive Consumer: Credit and Warranties. Student's Manual.
INSTITUTION National Consumers League, Washington, D.C.
SPONS AGENCY Office of Education (DHEW), Washington, D.C.
PUB DATE Feb 78
NOTE 71p.; For related documents see CE 015 093-095
AVAILABLE FROM National Consumers League, 1028 Connecticut Avenue, Suite 616, Washington, D.C. 20036 ($3.75; set of three, $10.00)

EDRS PRICE MF-$0.83 Plus Postage. HC Not Available from EDRS.
DESCRIPTORS Adult Education; *Assertiveness; Banking; *Consumer Education; *Consumer Protection; Course Content; *Credit (Finance); Federal Legislation; Financial Policy; Financial Services; Instructional Materials; *Learning Activities; *Money Management; Resource Materials; Skill Development

ABSTRACT

This student manual contains materials to be used in a workshop designed to train members of action organizations (consumer, community, educational) in techniques such as role playing, modeling, and developing strong communication skills for assertively securing legal consumer rights in the areas of credits and warranties and to prepare the participants to teach these skills to groups in their own organization. Course objectives listed include the following: being able to demonstrate an increased assertiveness in credit/warranty situations; fully understanding the advantages and disadvantages of using credit; being familiar with the protective value of legislation affecting the use of credit and warranties; being aware of sources of help; and learning how to correct an unsatisfactory credit/warranty situation. The first part of the manual contains questions and answers in the following areas: general credit, creditworthiness, establishing good credit, credit history and credit reporting services, understanding interest rates, credit arrangements on charge accounts, applying for a credit card or charge account, using a credit card, applying for a loan, denial of credit, billing errors, warranties, and handling money. The section on assertiveness discusses assertive asking and assertive resistance. Other materials include model letters, glossary, sources of help bibliography, eye contact and assertiveness checklists, worksheets for credit cards, credit analysis and warranties, and suggested situations for role play. (TA)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED151549

THE ASSERTIVE CONSUMER:

CREDIT AND WARRANTIES

Student's Manual

Barbara Clark

Wanda Veraska

Dr. Michael Emmons,
Assertiveness Consultant

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

National Consumers League
1028 Connecticut Ave., N.W.
Suite 522
Washington, D.C. 20036
(202) 797-7600

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

Helen Savage

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND USERS OF THE ERIC SYSTEM."

The National Consumers League would appreciate receiving acknowledgement when any of these materials are used. Comments on the usefulness of the materials will be welcomed.

February 1978

The activity which is the subject of this report was supported in whole or in part by the U.S. Office of Education, Department of Health, Education and Welfare. However, the opinions expressed herein do not necessarily reflect the position or policy of the U.S. Office of Education, and no official endorsement by the U.S. Office of Education should be inferred.

OE 015093

INDEX

	Page
Course Objectives	1
Consumer Protective Legislation	2
Questions and Answers	
1. Credit: General	3
2. Creditworthiness	5
3. Establishing Good Credit	6
4. Credit History: Credit Reporting Services	8
5. Understanding Interest Rates	10
6. Credit Arrangements on Charge Accounts	11
7. Applying for a Credit Card or Charge Account	12
8. Using a Credit Card	13
9. Applying for a Loan	14
10. Denial of Credit	16
11. Billing Errors	17
12. Warranties	19
13. Handling Your Money	23
Assertiveness	
An Introduction	40
Assertive Asking	43
Assertive Resistance	45
Model Letters	47
Glossary	58
Sources of Help	62
Bibliography	63
Worksheets	
Eye Contact Checklist	64
Assertiveness Checklist	65
Credit Card Worksheet	66
Credit Analysis Worksheet	67
Warranty Worksheet	68
Situations for Roleplay	69

* * * * *

A word about sex ..... Aha, I've got your attention!

Users of credit and warranties come in both genders, female and male. This manual is for all consumers. The text and dialogues sometimes say "he," sometimes "she," sometimes "you," sometimes "the person."

Please feel free to substitute the feminine for the masculine pronoun, and vice versa, any time it is appropriate to your situation. There is a strong wish, on the part of the authors, to be non-sexist in writing, teaching, and living.

COURSE OBJECTIVES

I. Potential teachers of action organizations will be educated to be fully knowledgeable and effective in reference to consumer credit life, and will be able to teach this to others. (For Phase I classes.)

II. Specifically, training will include

a. being able to demonstrate an increased assertiveness in credit/warranty situations;

b. fully understanding the advantages and disadvantages of using credit;

c. being familiar with the protective value of legislation affecting the use of credit and warranties;

d. being aware of sources of help;

e. learning how to correct an unsatisfactory credit/warranty situation.

III. Students will be encouraged to work together to improve marketplace conditions rather than just coping with what exists.

CONSUMER PROTECTIVE LEGISLATION

Truth in Lending Act--requires creditors to state finance charges, both in dollar amounts and in annual percentage rates, (APR) before credit is granted. This charge must include all costs involved in obtaining credit, with no hidden charges. The dollar figure tells you what it costs to buy now and pay later. The APR serves as a guide in comparing charges from one creditor to another. This Act also protects you against the unauthorized use of your credit card, regulates the advertising of credit terms, and protects you in case your home is used as security in a credit transaction.

Fair Credit Reporting Act--protects consumers against the circulation of inaccurate or obsolete information about personal financial matters. Also ensures that consumer credit reporting agencies will exercise their responsibilities in a fair and equitable manner. If you have been denied credit, or if you believe that you have had difficulties because of a consumer credit report, the Act gives you the right to protect yourself.

Fair Credit Billing Act--applies only to "open end" credit plans. It sets up a billing dispute settlement procedure which allows you to question what you believe are billing errors on your periodic statement. The creditor must acknowledge your written inquiry and promptly correct any errors or explain why it believes the statement is correct. In addition, the Act imposes certain other requirements on the creditor to ensure fair and prompt handling of your credit account.

Equal Credit Opportunity Act--prohibits a lender from denying credit on the basis of sex, marital status, race, color, age, religion, national origin, receipt of income from public assistance programs, and use of consumer credit laws to protect yourself. It requires a lender to notify an applicant when credit is denied, and to supply the reasons.

Magnuson-Moss Federal Trade Commission Improvement Act--commonly known as the Magnuson-Moss Warranty Act, helps you before you buy by requiring that warranties on products costing more than $15 be available for viewing at the same place where the product is sold; this aids comparison shopping for the best warranty. Warranties must be written in ordinary language that is easy to read and understand. Every term and condition must be in writing, with no fine print. The Act helps you after you buy by making it easier for you to require companies to keep their warranty promises.

Consumer Leasing Act--only applies to the leasing of personal property (such as cars, furniture, sick room equipment) where the amount of the contract is less than $25,000, and the leasing period is more than four months. It makes it possible for you to compare the total cost of leasing the property with the cost of buying it, and limits your liability at the end of the lease term. In addition, it regulates the terms of lease advertising.

Fair Debt Collection Practices Act--makes it illegal for a debt collector to threaten, harass, or deceive someone who owes money. Limits telephone calls, and helps to protect your privacy.

QUESTIONS AND ANSWERS

CREDIT: GENERAL

1. Q. What is credit?
   A. It is buying now and paying later. Also, it is the ability to get a loan of money.

2. Q. Is credit good or bad?
   A. Good and bad are just words. Looking past the words, our economy could not keep going without the use of credit. Almost no one lives on a cash-only basis. If you are billed by a doctor or a gas company, that's using credit.

3. Q. Are there advantages to the customer of using credit?
   A. Yes.
   a) By using credit you can raise your standard of living. This means you can buy a car or a house or go to college without having to save all the cash first.
   b) Credit gives you flexibility. You can buy things on sale and possibly save money. Or you can get things when you need them (even if they cost a little more) and pay for them gradually.
   c) Credit is safe and convenient for older people and others who don't wish to carry cash.
   d) Credit can be used to handle emergencies.
   e) Credit can save you time. You can do a lot of shopping at once and reduce the number of trips to stores. When you use credit you don't have to wait for checks to be approved.
   f) You may experience easier returns and better service if the item hasn't been fully paid for yet.

4. Q. What are the disadvantages?
   A. a) It's easy to buy on impulse or overspend, and put off facing the music.
   b) Credit can cost money. There may be membership fees and/or finance charges. If there's a billing dispute it's possible (although unlikely) there could be legal costs involved in clearing it up. Also, in low-income communities, shoddy goods at high prices may be the only merchandise available in places that offer credit, and this adds to the price of credit.
   c) Using credit ties up future income. Since the future is unknown there may be some risk involved.
   d) It can be an inconvenience, especially in the case of billing disputes.
   e) If you don't pay your bills, you may lose your merchandise and your ability to obtain credit.

5. Q. Wouldn't it be better for me to buy for cash rather than charge things?
   A. It's up to you. If you are tempted to buy more than you can pay for, you will have more control when you use cash. If you are careful and keep accurate records, your monthly statements make it easy to keep track of what you bought. And if you pay within 30 days after you are billed, there is usually no finance charge.

6. Q. How can I keep my credit costs down?
   A.
   1. Use only as much credit as you can repay without difficulty.
   2. Shop for credit (find out annual percentage rate at different sources).
   3. Make a large down-payment (even if you have to wait a little longer).
   4. Pay bills promptly and notify the creditor if you can't.
   5. Keep repayment periods short (on installment purchases or loans).
   6. Keep unpaid balances low on revolving charges.
   7. Maintain a good credit record; then you will not have to pay the high interest rates charged to people who are poor credit risks.

7. Q. Where can I get credit?
   A. Credit is available in a number of places if you qualify. If you want to use credit, consider:
   a) a local store,
   b) a credit union,
   c) a bank (if you want $500 or more),
   d) your life insurance policy,
   e) a finance company. (This is a last resort since they charge a high rate of interest.)

   If you want to open a charge account, go to a reliable store. Be willing to start with a small credit limit, perhaps $50. If you pay faithfully and on time, in a few months you can ask the store to raise your credit allowance, if you want to.

8. Q. What are some problems of low-income consumers, regarding credit?
   A.
   1. Not being able to get credit.
   2. Not knowing what they must do under a signed credit contract. To overcome this, (a) <u>read</u> the contract <u>before</u> signing; (b) don't sign a blank contract, or a contract with blank spaces (check <u>every</u> copy of a contract, including carbons); (c) have salesman and signer initial all changes to the contract; (d) get a copy of the contract.
   3. Not knowing that finance or interest charges are over the legal limit, since the legal limit is not known. Finance companies offer the highest-priced kind of legal credit; often from 18% to 36% APR (annual percentage rate).

9. Q. How much credit is too much?
   A. Here are the warning signals:
      1. Installment debts are being refinanced.
      2. Smaller down-payments are being made on purchases.
      3. Interest charges keep growing.
      4. Amounts owed on revolving charge accounts increase.
      5. New bills are coming in before old bills are paid (on same account).
      6. Past due notices are being received.
      7. More and more take home pay is being used to pay off debts.
      8. Loans are made to combine (consolidate) debts, while new credit purchases are still being made.

CREDITWORTHINESS

10. Q. What makes a person creditworthy?
    A. Good credit history
       Enough income
       Not over-loaded with debts
       Stable residence and employment record
       Assets, including checking/savings accounts

11. Q. What else might be considered in granting credit?
    A. If you apply for credit in person, the general impression you give is very important. The way you look and act do matter.

12. Q. Is there anything a creditor can't consider in deciding creditworthiness?
    A. If a person applies for his own unsecured account, a creditor can't legally consider these things:

--sex	--color
--marital status	--religion
--race	--national origin

Age and receipt of income from public assistance programs may be considered only if they relate to creditworthiness (the person must be old enough to contract, and income must be verifiable).

The Equal Credit Opportunity Act tells creditors they can't discriminate against people applying for credit for any of the above reasons.

ESTABLISHING GOOD CREDIT

13. Q. How can I establish a good credit record? What is the most likely path to success?

A. Follow this step-by-step process:

1. Open checking and savings accounts in your own name.
2. If you have a regular income of your own, apply at one local department store for a charge account in your name. When you get the account, make small, regular purchases and pay regularly, on time, each month.
3. After five months, apply at another department store, and repeat the process.
4. After several more months, apply through a bank for a MasterCharge or Visa card (if your income is large enough).
5. After you have your account for a year or so, you can ask for a higher credit limit.
6. At this point, you may be able to get an unsecured bank installment loan. If not, take out a passbook savings loan, using the money you have in your savings account as collateral.

14. Q. What if I have a poor credit history and can't even get a department store account?

A. Choose one of these ways to start repairing your damaged credit history:

1. Get another person to co-sign a bank loan with you.
2. Offer collateral, such as savings bonds or your car, for a bank loan.
3. Take out a passbook savings loan. (The money in your savings account is actually used as collateral and you can withdraw only the amount of savings you have repaid.)

After a year of making regular payments on one of these kinds of loans, go back to a retail store and apply for an account. This begins the process described in #13.

REMEMBER: A credit history takes time to build and is worth taking care of, even in times of personal stress.

15. Q. I have never had credit in my own name. All accounts have been in the name of my husband or ex-husband. What can I do to get credit for past credit history?

A. You can get credit for user or joint accounts in one of these ways:

1. Ask the credit reporting agency in your area to separate out the information about the wife. If it refuses, complain to the Federal Trade Commission. (See page 62 for address.)
2. When you apply for credit, ask that those accounts reported in your husband's name be used in deciding your creditworthiness. In turn, you must have proof, such as cancelled checks, that show <u>you</u> were the one who paid off the accounts.
3. Know and use these facts: Accounts started on or after June 1, 1977 are being reported in both spouses' names. Accounts opened before, and still going by, June 1, 1977 either (a) are being reported in both spouses' names, or (b) were offered the chance to be reported in both spouses' names. This opportunity was described in a "Credit History for Married Persons" notice sent out last year. If you don't remember getting this notice, check your file at a credit reporting service. If your accounts are not being reported in both names, write to your creditors and ask them to begin doing this.

16. Q. In order to establish credit in my own name, must I have an income in my own name?

A. Generally, yes, since credit is a privilege granted to those with the ability to pay back. Income is a mark of this ability. Some creditors will give credit based only on the spouse's income.

Equal Credit Opportunity legislation does not deal directly with this issue, but does set up a system for women to establish their own credit history based on user or joint accounts they share with their husbands. That means that creditors who evaluate creditworthiness on the basis of credit history will now have to consider joint/user credit history when deciding whether or not to extend credit.

17. Q. What is the credit status of a widow?

A. Creditors cannot close accounts because of this change in marital status unless they have evidence that the financial situation has changed for the worse. If the account was based only on your late husband's income, you may be asked to reapply to prove that you are still able and willing to pay.

CREDIT HISTORY: CREDIT REPORTING SERVICES

18. Q. What is a credit history?
A. A record of accounts and loans you have maintained, how you have paid on them; also, unpaid bills.

19. Q. Where is my credit history kept?
A. On computer files by organizations that are in the business; they are called credit reporting services.

20. Q. How do I find the name of the credit reporting service in my area?
A. Look in the yellow pages under credit reporting services. Call these listings and ask if you can get your consumer credit file from them. If they can't help you, ask them if they know who can. If you see "TRW" or a listing with "Credit Bureau" as part of the name, these are places to start.

21. Q. How does a credit reporting service work?
A. Subscribers (members), such as retail stores and banks, report information on their credit accounts (except details of home mortgages). Members can, for a fee, get any information this service has on file about people who apply to them for credit.

22. Q. How can I find out what is in my credit file?
A. By going in person to the credit reporting service (call first to see if you need an appointment), or by getting the information over the phone. Information is given on the phone only after you have submitted a signed letter asking the service to call you. You can also get a written "consumers' copy" of your report by writing and requesting it.

23. Q. Does it cost me anything to get a credit report on myself?
A. Finding out what is in your file will cost you nothing if you have been denied credit based on information received from the service, and if you request to be informed of the file's contents within 30 days after receiving a credit denial. If you have not been denied credit and are just curious, you can still find out what is in your file. Call the service and ask what the charge is if you get the information in person, by phone, or in a written report. Different credit reporting services have different policies.

24. Q. Why is there such a thing as a credit file?
A. (1) To help people get credit quickly.
(2) To help credit grantors (retailers, banks, finance companies) decide whether to give credit to customers.
It is for mutual benefit. Based on information supplied by the credit reporting service, there are many more applications approved than denied.

25. Q. Can I actually see my credit file?
A. The law doesn't say the credit reporting service must physically hand you your file--only that it must supply you with the information in it. Generally, a credit reporting service furnishes a computer print-out which you and an interviewer look at together. The interviewer keeps the print-out. If you ask for it, a "consumer copy" of your credit file will be sent to you after your interview.

26. Q. What's the different between the "computer print-out" which the interviewer keeps and the "consumer copy" which I can get?
A. Much of the information on the computer print-out is written in computer language, that is, numbers. The consumer copy has the information put into words. Also, information may show up on the computer print-out but not on the consumer copy of your file. See question #31. To get the most out of your visit to a credit reporting agency, take along a pencil and paper. Have the interviewer explain the print-out line by line while you take notes. When you fill out a future credit application you will know what's in your file and you can keep your reports consistent.

27. Q. Do credit reporting services decide whether or not I get credit?
A. No. They just report the facts they have. The creditor decides whether to extend or deny credit.

28. Q. Who can find out what's in my file besides me?
A. (1) A credit grantor to whom you have applied for credit.
(2) One other person, if you want company on your visit to the credit reporting agency. You will have to give permission for this person to see your file.
(3) Your spouse, if you give written permission.

29. Q. Are my financial sins recorded forever?
A. No. Adverse items are not reported after seven years (except bankruptcies, 14 years).

30. Q. What kinds of information might be in my credit file?
A. A lot of personal information, plus a history of what you have had and how you have paid in the way of (1) installment loans, (2) charge accounts, (3) extensions of credit on checking accounts, (4) bank charge cards. Also, recent inquiries from possible creditors.

31. Q. What's the personal information in my file?
A. First of all, the amount of personal information in your file depends on the individual credit reporting service. Personal information may be limited to name, generation (Jr., Sr., etc.), current and past addresses, social security number, present employer, date of birth, spouse's name, and whether the account is a single or joint one. Also, you might find occupation, previous employer, number of dependents, spouse's occupation, date married, other income, marital status, information from public records (such as judgments or liens).

32. Q. Does the credit reporting service have other information, such as bank accounts, details of mortgage loans, arrests?
A. No. It isn't against the law to have this information--the service just doesn't collect it as a matter of practice.

33. Q. Is there a credit file on me?
A. Almost certainly, if you have in your name a charge account or an installment loan--current or paid.

UNDERSTANDING INTEREST RATES

34. Q. What does the Truth in Lending Act have to do with interest rates?
A. That Act says that every consumer who applies for credit must be given information about the cost of that credit. The information must be easy to understand. It must be shown in dollars and simple interest (Annual Percentage Rate). That Act also says that advertising about credit terms should not mislead. For example, when certain credit terms are advertised, the advertiser must usually offer those terms.

35. Q. If I find I can pay off an installment purchase or loan earlier than agreed, do I get any interest back?
A. Yes. The store or bank has a table to figure out how much. You will save money if you pay sooner.

36. Q. How much interest am I really paying under various credit arrangements?
A. One basic thing to get clear is the Annual Percentage Rate (APR). This is how much actual (simple) interest--at what rate--over a year, you end up paying. No matter how the creditor figures the interest you will pay, he must state the APR. Also, the total finance charge has to be listed in a dollar amount so you will know how much you're paying for credit. When you shop for credit, look for (1) the lowest APR, and (2) the lowest finance charge in dollars and cents.

37. Q. How can I figure the APR I will pay in a given situation?
A. You don't need to figure it out. The creditor has to figure it out and inform you. Just be sure you know what the APR is--by reading or asking.

38. Q. If a store says its APR is 18%, does that mean I pay $18 interest on a $100 purchase if I pay if off over a one-year period?
A. No, you pay about half that, or $9. The interest is charged at the rate of 1-1/2% a month against what you owe. But remember that what you owe (the remaining balance) goes down each month. See chart below.

Month	Initial Purchase	Monthly Payment	1-1/2% Finance Charge on Previous Balance	Customer's Balance After Payment
1	$100.00	$00.00	$0.00	$100.00
2		10.00	1.50	91.50
3		10.00	1.37	82.87
4		10.00	1.24	74.11
5		10.00	1.11	65.22
6		10.00	.98	56.20
7		10.00	.84	47.04
8		10.00	.71	37.75
9		10.00	.57	28.32
10		10.00	.42	18.74
11		10.00	.28	9.02
12		9.02	.00	.00
	Total Service Charge:		$9.02	

39. Q. In connection with finance charges on loans, how do add-on interest and also discounted interest work?
A. These methods aren't used by banks any more. The bank will tell you the interest rate in terms of an Annual Percentage Rate.

CREDIT ARRANGEMENTS ON CHARGE ACCOUNTS

40. Q. What kinds of charge accounts are there?
A. Basically there are three kinds:

1. The 30-day or regular charge account lets you charge purchases during a month and pay in full within 30 days after you are billed. There is no extra charge for this type of credit if you pay the full amount of your bill each month. Normally, a 30-day account is used for routine purchases.

2. The revolving or open-end account lets you (a) pay in full each month and avoid finance charges, or (b) spread payments over a longer period of time. As you charge purchases, your amount of available credit goes down. As you repay, your amount of useable credit goes up to your pre-set limit. Each month you must pay a minimum payment. A finance charge (usually 1-1/2% a month) is added to the unpaid balance each monthly billing period.

   A regular charge account automatically becomes a revolving account if the whole bill isn't paid within a certain time after billing. An advantage to "revolving credit" is that you can put new purchases on your account without applying for credit each time you want to buy something.

3. The installment or closed-end account lets you take longer to pay for large items. You agree to pay your bill in a set number of payments. The total amount of principal plus interest is divided evenly over 12, 18, 24 months, or whatever is agreed upon. You may be asked to make a down payment and sign a contract for each purchase. Payments are usually smaller than those required on a revolving charge account. An advantage to "installment credit" is that it is often easier to budget a fixed amount than to pay the different amount each month that a revolving account calls for.

APPLYING FOR A CREDIT CARD OR CHARGE ACCOUNT

41. Q. Is an application for a credit card or a charge account a contract?
    A. If it is accepted, yes. But an application for a loan is not a contract; if the application is approved, then a contract will be written.

42. Q. What will be on the credit application form?
    A. Questions about your income and current debts, how long you have worked at your job, how long you have lived at your present address, your checking and savings accounts.

43. Q. What about questions on marital status?
    A. There probably will be none; if there are, leave them blank. Titles (Mrs., Mr., Ms., Miss) can be ignored. If you apply for a joint charge account, the creditor can ask questions and expect information about each spouse. (Also, see #44.)

44. Q. On a credit application, should alimony or child support be reported as income?
    A. That is up to the individual. If the salary is high enough, it may be left off; the store/bank will then have no reason to ask about an ex-spouse. But if alimony and child support are needed to qualify for the loan, the store/bank has the right to check the ex-spouse's obligation and ability to pay.

45. Q. How do creditors check an ex-spouse's obligation and ability to pay alimony and/or child support?
    A. Usually creditors ask for a notarized separation agreement or court order stating the ex-spouse's duty to pay. Also, creditors can ask anything that relates to the creditworthiness of the ex-spouse, such as employment and length of residence; but they can't ask any more than they normally would of any applicant. A creditor checking the ex-spouse's ability to pay alimony and child support can only get a credit report with that person's written permission.

46. Q. What's the best way to fill out and return a credit application?
    A. Call and have the bank/credit card company/department store send you the application form. Fill it in carefully and neatly at home. If you have questions, either call the credit grantor for information or go in person. If getting the credit is really important to you, return the form <u>in person</u> and talk with someone to make sure all points on the form are clear.

USING A CREDIT CARD

47. Q. Do stores just send out credit cards without asking people if they want them?
    A. They shouldn't; it's illegal.

48. Q. Can I borrow money on my credit card?
    A. Some credit cards, those which are issued by banks, carry lines of credit or permission-to-borrow features.

49. Q. If I buy something on a credit card and it is clearly unsatisfactory, can I refuse to pay the credit card company?
    A. Yes, <u>if</u>
    (1) you have tried without success to get satisfaction where you bought it, and
    (2) the item cost over $50, and
    (3) you bought it in your home state or within 100 miles of your home.
    However, if the place where you bought the item also issued the credit card, you can withhold payment <u>regardless</u> of the price of the item or where you bought it.

50. Q. Where do I have a good chance of getting an all-purpose credit card, such as Visa or MasterCharge?
    A. Apply through a bank where you have a checking account, savings account, auto loan, or other loan.

51. Q. Does a credit card cost me anything?
    A. American Express costs $20 a year ($30 for a family membership); Visa and MasterCharge have no membership fee.

52. Q. Can I get installment arrangements on a credit card?
    A. Yes, with American Express, if you arrange in advance for big things like airline tickets and tours. No, with Visa and MasterCharge.

53. Q. Is there a finance charge for credit card use?
    A. Finance charges on credit card use may vary from state to state. However, the following information is true in most states.
    (1) Goods and services: no charge if you pay within 30 days. After that you pay 1-1/2% a month on the unpaid balance.
    (2) Cash advance: you pay 1% a month from the date it is charged to your account.

54. Q. What if my card is lost or stolen? Do I have to pay for purchases made on it?
    A. Not if you let the credit card company know (a telephone call is okay) before such purchases are made. Whether or not you notify the company, you legally don't have to pay for anything over $50 on each card. Regardless, <u>always</u> give notice if a credit card is lost or stolen. See page 49.

55. Q. What's the difference between a credit card and a charge account?
    A. With a charge account you can charge at a single retail store. With a credit card you can charge wherever that card is accepted, often city-, nation-, or world-wide.

APPLYING FOR A LOAN

56. Q. How will I know what interest rate I am paying?
A. It will be stated on the loan contract, in terms of an Annual Percentage Rate (APR). Different kinds of loans--personal, used car, new car, home improvement--have different APR's.

57. Q. What is the going rate charged by banks for a personal or household loan?
A. The rate varies from place to place. Most likely it is about 11% to 13%. Call a few banks and ask them.

58. Q. What questions will I be asked about marital status?
A. None, except for a few special cases (application for a student loan, or for a secured loan in a community property state, or if you are depending on alimony, child support, or separate maintenance). If the creditor asks your marital status, the only terms that can be used are "married," "unmarried," and "separated." (Also, see #59, item 2.)

59. Q. What questions will I be asked about my spouse?
A. None, unless (1) the spouse applies with you for the loan, or (2) you depend on property the two of you hold together, or your spouse's income to repay the credit. (Also, see #44.)

60. Q. On what does the bank base its decision to approve a loan?
A. On the three C's: capacity, capital, and character.
Capacity is your ability to repay (income and obligations).
Capital is any assets you have (not relevant for a small loan).
Character has two parts: (1) your credit history (including how long you have lived or worked at a certain place), and (2) the general impression you give in a face-to-face interview (how sincere and trustworthy you seem).

61. Q. When is an in-person interview required?
A. Banks usually require that borrowers sign the final papers in person. Everything else can be done by mail. However, if getting the loan is really important to you, apply in person. This gives you a better chance to present your case. And it gives the bank a chance to see how sincere you are.

62. Q. How much will the bank check past employment, etc.?
A. It depends on the size of the loan. The larger the loan, the more a bank will check since it involves greater risk.

63. Q. Will the bank do an investigative report on me, interviewing neighbors as to my character and lifestyle?
A. Almost never. In the rare case the bank might do so, it will notify you.

64. Q. Besides banks and credit cards what other sources of loans are there?
A. Try credit unions, insurance policies, passbook savings accounts. They all charge less interest than banks.

1. To borrow from a credit union, you must be a member. Usually it takes a small deposit to join. Also, you must "belong" to the group through which the credit union is organized. This group may be your work, church, or club. Find out what credit unions you might join.

2. If you have paid premiums on a regular life insurance policy (not term insurance) for a few years, you will have a "cash value" built up. Generally, you can borrow up to 95% of this cash value at a low interest rate. The interest rate (stated in the policy) may vary from about 4% to 8%. Newer insurance policies have the higher interest rates.

3. If you have a savings account (and don't want to withdraw the money you need), you can borrow against that account at a low rate of interest. This is called a passbook savings loan.

4. Finance companies are another source of loans. The advantage to borrowing from a finance company is that people who are not considered good credit risks can often get a loan. But a finance company is a last choice, because the interest rate is high and can vary between 18% and 36%.

65. Q. How can I borrow on my life insurance policy?
A. To get this loan, simply have your company send you the loan forms, fill them out, and return them. The money will be sent to you and the interest you own will be collected when you pay your premiums.

You don't have a repayment schedule with this type of loan so there may be a temptation to let this slide indefinitely. If you don't repay the loan it decreases the amount that will be paid at maturity or death.

DENIAL OF CREDIT

66. Q. What are some reasons why I might be denied credit?
A. (1) If you are under 18, and in some cases, under 21, you may be too young to contract.
(2) If you have no credit history or a bad record of paying bills, you may be denied credit.
(3) You may be turned down because you have been on your present job too short a time.
(4) Other things against you might be too low an income, especially if you are already in debt, or an unstable record of employment and/or residence.

67. Q. What if I am denied credit?
A. (1) You may be denied on the basis of information the creditor gets from a credit reporting service. If so, you must be informed of this and given the name and address of that service.
(2) You may be denied on the basis of information other than the above. If so, within 30 days after the creditor gets your application you must either (a) be given a statement of specific reasons as to the type and source of the unfavorable information, or (b) be given notice of your right to ask for that information. When you receive this notice you have 60 days to ask for information, and the creditor has 30 days in which to reply.

68. Q. If I am told that I have been denied credit based on information in my credit file, what then?
A. Under the Fair Credit Reporting Act, you can find out that file's contents without charge if you inquire within 30 days after getting a credit denial. This can be done in person. Or, if you prefer, write to the credit reporting service and ask them to telephone you. (For more information, see pages 47 and 48.)

69. Q. What if I disagree with something in my credit file?
A. (1) Tell the credit reporting service you believe that information is not right. The agency then has to recheck it.
(2) If it turns out that the information is wrong, the agency must remove it from your file. At your request the agency must also notify every store/bank/etc. that has received your credit report in the last six months about this change. This must be done free of charge.
(3) If the service rechecks the information and doesn't find there is an error, it will tell you this. You then have the right to enter into your file your side of the story.
(4) You can ask the reporting service to send your side of the story to creditors who have gotten your report within the last six months.
(5) Responses to future requests for your credit report will include all the information, including your statement or a summary of it.

70. Q. Does the process outlined in question #69 cost me anything?
A. Not if you inquire within 30 days after being denied credit and the denial was based on information in your credit file. If you haven't been denied credit, there may be a charge for everything except items (2) and (5).

BILLING ERRORS

71. Q. What should I do if I think the store has made a mistake on my bill?
A. First, call the store to see if there is a simple misunderstanding on your part. If you think the store is in error, the next--and very important--step is to get out the Fair Credit Billing Notice which the creditor must send you with each bill (often printed on the bill itself). Read it carefully so you know what you must do. Follow exactly the procedure on the Billing Notice in order to protect yourself under the Fair Credit Billing Act.

72. Q. What is the procedure usually described on a Fair Credit Billing Notice?
A. Usually you must notify the store's credit department, in writing, that you disagree with its billing. You have 60 days to do this. The store then has to (1) let you know it got your objection, and (2) check further and try to satisfy the complaint, or explain the misunderstanding clearly.

73. Q. Is there a legal time limit for clearing up billing errors?
A. Yes.
(1) You have 60 days to write to the creditor about the error.
(2) The creditor must answer, in writing, within 30 days (unless the dispute has been cleared up during that time).
(3) In any case, after getting your letter the creditor has two complete billing cycles (not more than 90 days), to either (a) correct the error or (b) write and explain why the charges were correct in the first place.
(4) You have the right to ask for and get copies of any documents the creditor uses to figure the disputed part of the bill.

74. Q. What happens if the creditor doesn't follow the dispute settlement procedure?
A. The creditor may not collect the first $50 of the disputed amount even if it turns out that the bill was correct.

75. Q. Do I have to make payments on the amount in question during the dispute-settling period mentioned in #73?
A. No. During this time, the creditor can't ask you to pay (nor can you be charged interest) on the item in dispute. But if it is found that the store is not in error, you must pay the back interest as well as the disputed amount.

Also, during this period, the store can't close your account, and can't report the disputed unpaid bill to a credit reporting service because you don't pay. The store can send periodic statements to you, and can apply the disputed amount against your credit limit.

76. Q. Do I have to pay finance charges on the disputed item if it turns out the creditor is correct?
A. Yes, you may have to pay finance charges. You will also have to make up any missed payments.

77. Q. What happens if I don't accept the creditor's explanation and still don't intend to pay the bill?

A. First, write to the creditor within 10 days after you get the explanation, and state that you still refuse to pay the disputed amount. The creditor can report you to the credit reporting service and other creditors, but must also report that you think you don't owe any money. In addition, the creditor must let you know who gets these reports. After the dispute is settled, the creditor has to notify these same people that the situation has been resolved.

78. Q. What else might happen?

A. If there is a stalemate after both parties have followed the process discussed above, the creditor might sue you. Both of you will then have a chance to air your "sides" in court.

79. Q. What does this kind of dispute do to my credit rating?

A. It could damage it. If there is an on-going dispute, try not to apply for a loan until the dispute is cleared up. When it is cleared up, or if you must apply for credit before, check your credit file to see if it shows up there. If it does, make sure there is in the file a consumer's statement giving your side of the story.

WARRANTIES

80. Q. What is a warranty?
A. It is a guarantee that the product will be free of defects and perform in a certain way. It gives facts relating to the quality of the product or service over a set period of time. Any "cost" for this is part of the purchase price of the product or service.

81. Q. What's the difference between a guarantee and a warranty?
A. None. Each means the producer or seller will stand behind its product. However, if a product costs more than $10, "warranty" must be used in the title instead of "guarantee."

82. Q. What kinds of warranties are there?
A The two broad categories of warranties are written (or express) and implied. Written warranties are either "full" or "limited" and this must be clearly stated if the product costs more than $10. Implied warranties are not written out, come automatically with each sale, and are rights created by state law. (But, see #90.)

83. Q. What are examples of implied warranties?
A. (1) "Warranty of merchantability" means the seller promises that the product you buy is fit for the ordinary uses of the product--i.e., a freezer will freeze. If it doesn't, you have a legal right to get your money back.
(2) "Warranty of fitness for a particular purpose" means that if you buy a product because the seller advises that it can be used for a special purpose, then this advice may create a warranty. For example, a seller who suggests a certain sleeping bag for zero-degree weather warrants that the sleeping bag will be suitable for zero degrees.

84. Q. Under written warranties, what do "full" and "limited" mean?
A. (1) A full warranty guarantees that if a product has something wrong with it or fails to work properly for a certain length of time, the seller must fix (or replace) it free. This includes removal and reinstallation, if needed. It also means the product will be fixed within a reasonable time after you complain, and if it can't be fixed (or hasn't been after a reasonable number of tries) you can choose a new one or your money back. A full warranty is usually good for anyone who owns the product during the warranty period. (See #96.) This warranty might be limited to certain parts of a product, so read the warranty before you buy.
(2) A limited warranty may cover only parts and not labor, may cover only the first purchaser, or may charge for handling. "Limited" means that something's missing, so read the warranty carefully.

85. Q. Do I have to return the warranty registration card when I buy the product?
A. It depends on the kind of warranty. Under a full warranty, no. Under a limited warranty, maybe; read the specific warranty. You do need to keep some proof of purchase, dated.

86. Q. What other kinds of procedures must be followed to obtain the warranty service?
A. "Notification" is the only duty the buyer has under the full warranty, unless the warrantor can show that another requirement is reasonable. "Notification" simply means letting the warrantor know what is wrong by using the proper channels. The way you have to give notification may be fairly exact, so be sure you talk to the right department. An example of another "reasonable" requirement is to have you bring the product to the service center. (If it's a toaster, this is probably reasonable; if it's a piano, the requirement is unreasonable.)

87. Q. Is a warranty the same as a service contract?
A. No. A warranty is a statement about the quality of the product. The cost is included in the purchase price. A service contract relates to upkeep instead of quality, is optional, and usually costs something extra. It is extra protection.

88. Q. Do I need a service contract if the item has a warranty?
A. Probably not, if it's a full warranty, unless the service contract is for the post-warranty period. The service contract and the warranty are not necessarily alternatives to each other, so find out exactly what each covers for what length of time.

89. Q. What are consequential damages? Does a warranty cover them?
A. Consequential damages are the damages done by the product. For example, if a leak in the oven of your new gas range causes an explosion, and your kitchen table is damaged, the damage to the table is consequential. Normally, your rights under all warranties include the rights to consequential damages, but a company may be able to get out of this extra responsibility by saying the warranty doesn't cover such damages.

However, if you are physically injured by the defective product, you usually have a right to money damages from the company. In this case, see a lawyer. Also, if consequential damages are excluded in the warranty, think about how much damage the product can cause if it doesn't work. You may decide not to buy the product.

90. Q. What does "as is" mean when written in a contract?
A. It means "the buyer beware" because there are no implied warranties that come with the purchase. A seller can avoid the usual implied warranties (see #82 and #83) by stating "as is" in writing on the contract. In the case of an "as is" sale, there can't be any written warranties. In some states "as is" sales are illegal (e.g., Maryland and Massachusetts).

91. Q. What federal legislation regulates warranties?
A. The Magnuson-Moss--Federal Trade Commission Improvement Act.

92. Q. What do I do if I'm not satisfied with the way the store handles my complaint on a warranted product?
A. Under the Magnuson-Moss Warranty Act, the use of an informal dispute "mechanism" is encouraged, but not required. The mechanism is some agency that will go between the seller and the customer. This "third party mechanism" may be a local agency that will work out an agreement between consumers and sellers. If a mechanism is not listed in the warranty, the merchant will probably try to work with you to solve the dispute, but can't stop you from going directly into court for breach of warranty.

93. Q. If I buy a car on an installment loan and there is a problem with either warranted performance or warranted service of the car, can I withhold payment to force satisfaction?
A. Yes, although this was not always the case. Historically, under what is known as the holder-in-due-course doctrine, when the company that sold you the car in turn sold your signed contract to a bank or loan company, you had to make payments to that place. The place which bought the contract wasn't responsible for the performance of the car or its service, but could legally collect payments. Under a 1976 FTC ruling, the holder-in-due-course doctrine, in situations where the seller and creditor work together to finance the sale, is now an unfair or deceptive practice. (Although this FTC ruling covers credit transactions rather than warranties, the two subjects overlap.)

94. Q. Can you give me an example of how withholding payment would work?
A. If you buy a car and the dealer arranges the financing through a bank, and the car doesn't work, you take it to the warrantor and tell him to fix it. He claims to fix it, but it still doesn't work. After a few attempts to get it fixed, it's still defective but your monthly bill from the bank has now arrived in the mail. As long as you return the car to the warrantor, you can refuse to pay the bill, based on your warranty dispute with the car dealer. And you notify the bank that if they want their money, they should put pressure on the warrantor to fix the car. If it goes this far, call your consumer affairs office for assistance.

95. Q. If the seller can't repair or replace the defective product, do I get all my money back?
A. Maybe. Under a full warranty you are entitled to a full refund. Under a limited warranty you may or may not get a full or partial refund. If you can't work out something with the warrantor, and you go to court, your claim will be handled under state law. A judge will make the decision on whether or not you get a refund.

96. Q. Does the warranty apply to anyone but the original owner?
A. You must read the warranty to find out. A full warranty cannot directly limit its coverage to the first buyer, but can indirectly do this by specifying the length of the warranty in terms of "as long as you own the car." A limited warranty can limit coverage to the first buyer.

97. Q. When I buy a product, will the warranty always be attached to the item?

A. Provided there is a warranty on the product, and the product costs more than $15, it will either be attached to the product or displayed near it. Sometimes all the warranties are kept in a binder in the department where the product is sold; ask before you buy, and read the warranty.

98. Q. What do I do if a warranted product is no good?

A. Call the merchant first. You can probably find out what to do. You will need a copy of your warranty and/or proof of purchase (dated sales slip). If you can't get satisfaction on the warranty and the warrantor is using an informal dispute mechanism, instructions on what to do must be in the warranty. (There may even be a form in the warranty which can be filled out and mailed directly to the "mechanism.")

99. Q. In discussions of warranties, I keep hearing the term "mechanism." What does it mean?

A. The mechanism is an informal way to settle disputes. It is outlined in the warranty, with no fee to the consumer. Typically, it would be a government agency such as the County Consumer Protection Office. (Also, see #92 and #98.)

100. Q. What questions about warranties should I ask before I buy?

A. (1) Is there a warranty?
(2) Is the warranty "full" or "limited?"
(3) If "limited," to what extent, that is, parts, service, labor? Are some parts fully warranted while others have only a limited warranty or no warranty at all?
(4) Are those parts or services not covered expensive to fix or obtain? Are the parts not covered likely to break?
(5) How long does the warranty last? Are different parts covered for different amounts of time?
(6) Is the warranty limited to the first purchaser? If so, will I sell the product or give it as a gift?
(7) What must I do to get the warranty service?
(8) Exactly where will the product be serviced? Do I have to deliver it for service ? To where?

HANDLING YOUR MONEY

101. Q. Is it best to make payments by cash, check or money order?
A. There are advantages and disadvantages to each way of paying. The best choice depends on your situation.

Checking Accounts

Advantages	Disadvantages
1. You have proof that you have paid a bill or your rent because you get back the original check after it has been cashed.	1. It is not always easy to open an account. You need a beginning deposit (usually $50 but more at some banks), plus two good identifications. Some banks also ask for personal references.
2. By looking through your check register you can see what you are spending money for.	2. The bank may have a charge for each check they cash (such as 10¢ per check) plus a monthly charge to service your account.
3. If you keep a careful record in your checkbook, you will always know how much money you have left to spend.	3. You need to check your monthly bank statement carefully--the bank can make mistakes.
4. Checks are safer than carrying cash or keeping cash in your home.	4. In some stores it is difficult to pay for purchases with a check.
5. Checks are convenient when you are paying by mail.	5. If your checkbook is stolen, the bank will probably have to close your account and open a new one.
6. In many places there are banks which don't charge for checking accounts ("free checking").	6. You can get ripped off if you sign your name on a check and leave the other spaces blank.
7. If you find a bank that offers "free checking" or a low service charge, you save the cost of money orders for paying your bills.	7. It will cost you plenty if you do not have enough money in the bank to cover the checks you write. If you write a check for more than you have in your account (overdraw), the bank will return the check to the person you wrote it to, and the bill won't be paid. The bank will also charge you (up to $15) for writing a check that wasn't good (bounced).

Money Orders

Advantages	Disadvantages
1. You can buy a money order in many places--banks, post offices, drug-stores, grocery stores, credit unions. 2. You can get a receipt for each money order you buy. 3. There is less bookkeeping than with checks. 4. If you order something through the mail, service may be faster than with a check. Money orders can be cashed immediately, whereas the company might wait for a check to clear the bank. 5. It is easier to cash money orders than checks. For example, postal money orders can be cashed at any U.S. Post Office. Most banks will cash any money order if you have proper identification.	1. If you lose a money order before you fill it out, anyone can cash it. 2. Receipts for money orders are given as money orders are purchased, so there is more chance of losing this proof of payment than of losing a bunch of cancelled checks. 3. If you use them a lot, money orders cost more than a checking account. 4. If you lose a money order, it will take longer to get your money than if you lost a check. 5. Replacing a lost money order can be a hassle. If a filled-in postal money order gets lost, the U.S. Post Office can put a trace on it to see if it has been cashed. If it hasn't been cashed, you must wait 60 days to make a claim for your money. Some private money order companies charge $20 to put a trace on their money orders. 6. You have to keep all your individual receipts for money orders; you have no central record all together. 7. You must make the trip to buy a money order; it's not as convenient as paying by check.

Cash

Advantages	Disadvantages
1. You can't spend more than you have. 2. You know how much you have left. 3. Every business accepts cash. 4. There are no service charges.	1. Unsafe to carry or to keep in your home. 2. It is very dangerous to send cash through the mail. 3. You have no record or proof of payment unless you keep receipts. 4. There is a temptation to buy on impulse.

102. Q. How much does a money order cost?
A. Typical charges are:

U.S. Postal money orders - 50¢ for $.01 to $10.00 money order
70¢ for $10.01 to $50.00 money order
90¢ for $50.01 to $300.00 money order

American Express money orders - 60¢ for $.01 to $199.99 money order

Federal Express money orders - 45¢ for $.01 to $99.99 money order. (This rate may vary.)

103. Q. Does it cost anything to have a checking account?
A. It depends on the bank. Some banks have "free checking" without service charges. Other banks charge--perhaps 10¢ per check plus a monthly service fee.

104. Q. What do I need to open a checking account?
A. You will need:
(1) a minimum deposit--perhaps $50, though the amount varies with the bank.
(2) at least two good sources of identification, such as a driver's license, a work identification card, a store charge card, a reference from a bank where you have had a previous account, a personal reference. Even if you don't have a driver's license, you may be able to get a card that serves in its place. Call the Motor Vehicle Department in your area and ask if they issue a nondriver's license identification card.

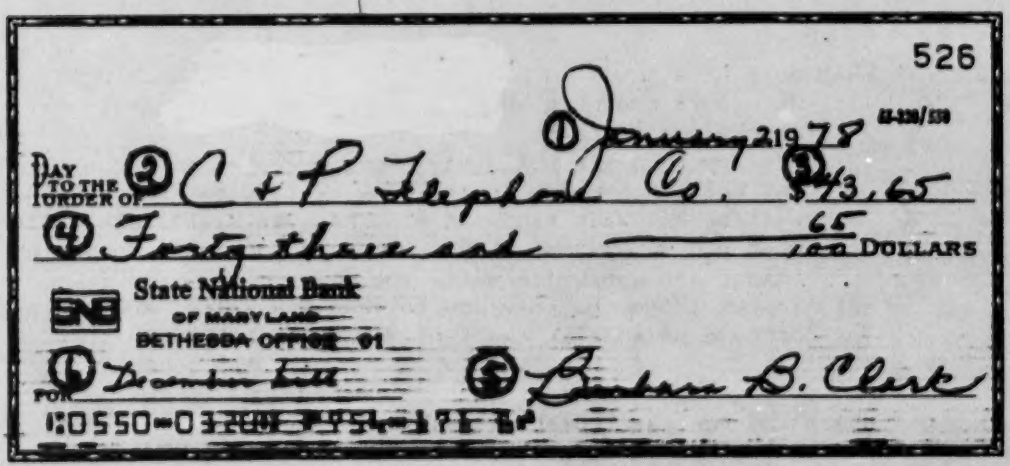
105. Q. What do I have to do to keep a checking account working?
A. (1) Make sure there is enough money in your account to cover the checks you write.
(2) Know your bank's policies. When you open an account, make sure you talk to someone in the bank to find out what charges there will be and what kinds of mistakes you might make which will cost you money (see #108 below). If you don't understand something, ask questions until you do.
(3) You will need to know how to read and write, and add and subtract, or have someone in the family who can help with that.

106. Q. Where and how can I cash a check?
A. The easiest place is at the bank where you have your checking account, or at a credit union where you are a member. Local supermarkets, drugstores, liquor stores, or other merchants may cash checks if they know you. Merchants who cash checks often ask that you establish check cashing privileges with them, or furnish two good identifications. Good ID's are a driver's license (or a nondriver's license identification card), a store charge card, a work identification card, a credit card. Social security cards and welfare cards are not good ID's.

107. Q. Is there a charge for cashing a check?
A. It depends. Banks and credit unions may have a very small fee--maybe 10¢ per check. Some stores may require that you buy something in the store, or they may only cash your check for the exact amount of the purchase.
Warning: Find out what the policy is before you cash the check. Some stores--especially liquor stores--may require you to make a purchase, and in addition charge very high rates to cash the check. Check cashing businesses can also be expensive, so beware.

108. Q. When I use my checking account, what mistake am I most likely to make that can cost me money?
A. The most common mistake is to write a check for more money than is in the account. If you do this, you have to pay the bank a service charge of as much as $15, and the check could be sent back to you without having been paid.

109. Q. How do I write out a check?
A. Use a ballpoint or other ink pen. Using the check below as a guide, fill in the information in this order. If you make a mistake, tear up the check and start again.
(1) Write the date correctly.
(2) Write the name of the person or company you want to pay.
(3) Fill in the dollar amount of the check in numbers.
(4) Then fill in the dollar amount of the check in words.
(5) Sign your name as it appears on the account.
(6) For your records, you may also want to write on the check what it is for (gas bill, payment on coat, food, etc.).

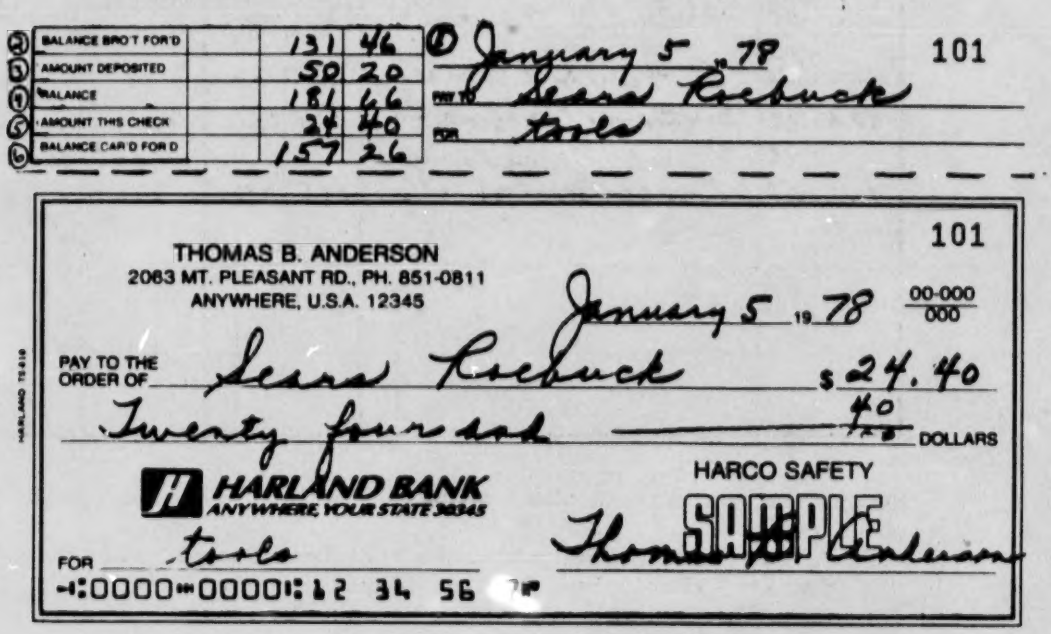

526
1 January 21 19 78
PAY TO THE ORDER OF 2 C & P Telephone Co. 3 $43.65
4 Forty three and 65/100 DOLLARS
State National Bank OF MARYLAND BETHESDA OFFICE 01
FOR 6 Barbara B. Clark

For practice in filling out a blank check, see page 34.

110. Q. How do I know there is enough money in the bank to cover the check I write?
A. By carefully adding the deposits you make and subtracting the checks you write, as you write them, in your checkbook. If you don't have a free checking account, be sure to include the bank charge per check (usually about 10¢) as you subtract each check. Also, when you get your bank statement, deduct any monthly service charge. (See page 39 for help in balancing your checkbook.)

111. Q. How do I keep a record of my checks?

A. When you open a checking account, the bank will give you a book of checks. These checks may have a stub attached which stays in your checkbook when you tear out the check. If you get that kind of checkbook, here is what it will look like:



You have already learned how to write a check. Here is how you fill out the stub. The stub is your record of how much money is in your account.

(1) Write in the date, the person or company you are paying, and what you are paying for--the same information as you write on your check. Notice that Stub 101 is a record of the information on check 101.

(2) Balance brought forward: this is the same amount as the last item on the stub before--"balance carried forward."

(3) Amount deposited: If you make a deposit, fill in that amount here. If you didn't make a deposit between the last check and this one, leave this space blank.

(4) Balance: add the deposit (if you made one) to (2) balance brought forward. If there was no deposit, then the "balance" will be the same as the "balance brought forward."

(5) Amount this check: fill in the amount of the check you are writing.

(6) Balance carried forward: subtract (5) amount this check from the balance. Now write the amount on this line (6) on the <u>next</u> check stub in the space marked "balance brought forward." This way you always know how much money you have to spend, because you have written down the amounts of all your deposits and all your checks.

You may not get that kind of record stub attached to each check. Sometimes the checks have no stubs, and you get a separate record book that will look like this:

PLEASE BE SURE TO DEDUCT ANY PER CHECK CHARGES OR SERVICE CHARGES THAT MAY APPLY TO YOUR ACCOUNT

(1) CHECK NO	(2) DATE	(3) CHECKS ISSUED TO OR DESCRIPTION OF DEPOSIT	(4) (-) AMOUNT OF CHECK		(5) T	(6) (-) CHECK FEE (IF ANY)	(7) (+) AMOUNT OF DEPOSIT		(8) BALANCE	
									57	20
402	Oct 12	R. French Plumbing	25	00					32	20
403	14	Southern Electric Co	17	10					15	10
	15	salary					165	35	180	45
404	20	Baker Mortgage Co.	115	00					65	45

Every time you write a check or make a deposit, you must write it in your check register.

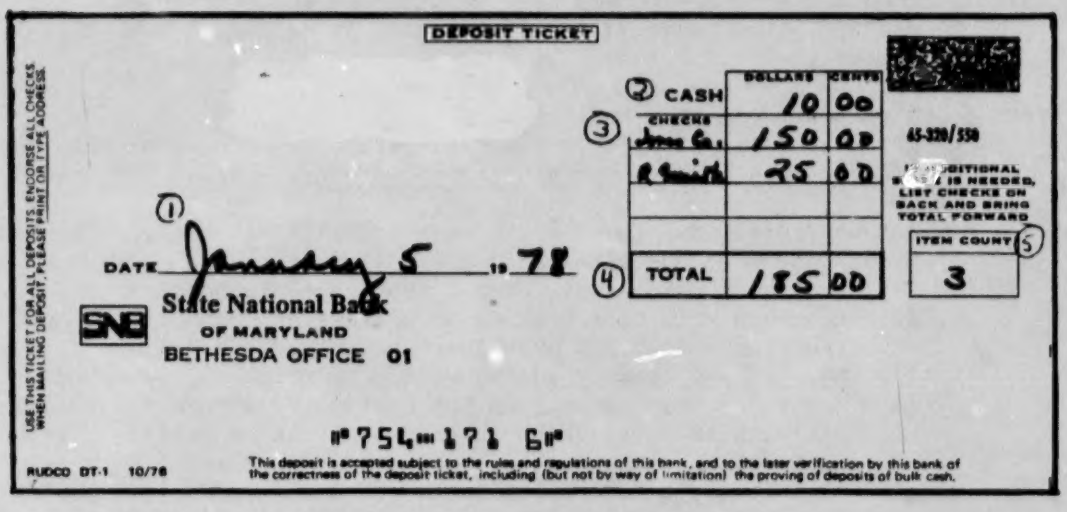
(1) In the first column you write the check number. If you make a deposit, that column will be blank.
(2) The date you write the check or make a deposit.
(3) Who you wrote the check to. Or, if it's a deposit, where the deposit is from.
(4) How much the check is for.
(5) Check here if it's a tax item. You don't have to do this, but it's helpful when you're filling out your income tax return, and looking for tax items.
(6) If you have free checking, this column will stay blank. If you are paying for each check, enter the cost (maybe 10¢) each time.
(7) How much money you deposited.
(8) Balance. Here's where you have to do your arithmetic. If you have written a check, subtract it from the amount above to get a new (smaller) balance. Also subtract a check fee if you have that kind of account. If you make a deposit, add it to the amount above to get a new (larger) balance.

112. Q. How do I put money into my checking account?
A. If you are putting <u>cash</u> into your checking account, you must go to the bank in person. Never send cash through the mail. If you are putting a check (made out to you) into your checking account you can go to the bank in person or you can mail the check to the bank.

In either case you will fill out a deposit slip; they are the white slips at the back of your checkbook. Your name and address are already printed on the slip. Putting money into your account is called <u>depositing</u>.

Here's how to fill out a deposit slip:

(1) Write the date you are making the deposit.
(2) Cash: here is where you write the amount of any cash you are depositing.
(3) Checks: write in the amount of each check you are depositing.
(4) Total: add together the amount of the checks and the amount of the cash you are depositing.
(5) Item count: this means how many checks plus cash you are depositing. All the cash counts as one item.


DEPOSIT TICKET

USE THIS TICKET FOR ALL DEPOSITS. ENDORSE ALL CHECKS WHEN MAILING DEPOSIT. PLEASE PRINT OR TYPE ADDRESS

(1) DATE January 5 19 78

SNB State National Bank OF MARYLAND BETHESDA OFFICE 01

	DOLLARS	CENTS
(2) CASH	10	00
(3) CHECKS		
[illegible]	150	00
R Smith	75	00
(4) TOTAL	185	00

ITEM COUNT (5) 3

[illegible] 45-320/550

[illegible] ADDITIONAL [illegible] IS NEEDED, LIST CHECKS ON BACK AND BRING TOTAL FORWARD

⑆754⑆171 6⑈

RUDCO DT-1 10/76

This deposit is accepted subject to the rules and regulations of this bank, and to the later verification by this bank of the correctness of the deposit ticket, including (but not by way of limitation) the proving of deposits of bulk cash.

For practice in filling out a deposit slip, see page 34.

Before you can deposit a check into your account, you must endorse it. Endorsing means that on the back of the check you write (don't print) your name, just as the check is written -- Thomas R. Brown or T. R. Brown. Then beneath your signature (endorsement), you write "For Deposit Only."

If you make a deposit in person, the bank teller will give you a receipt. If you mail in your deposit, the bank will mail you a receipt. Keep these receipts until you get the monthly statement from the bank. Then you will be sure the bank recorded all your deposits. When you make a deposit, add that amount to your check record.

There's something else you need to know about checks you deposit. If you deposit a certified check, a government check, or a check from a large well-known business, the bank will give you credit right away for the check. That means the money is available to you and you can write checks on it. But, if the check you have deposited is from another person or from a small company not known to the bank, you have to wait for that check to clear--for the bank to get the money--before you can use that money to write checks. Better wait about three days before you start spending the money. If it's a check from an out-of-state bank, you'd better wait five days or a week. It's hard to wait but it's better than having the bank return a check you write.

113. Q. What is a monthly bank statement?
A. It is a list of transactions the bank has made for you during the past month. The bank mails a statement to you regularly. It shows the amount of money you have deposited and the number and amount of checks which have been cashed. The statement also shows what service charges, if any, have been subtracted from your account. The checks the bank has paid during the past month are sent to you with the statement. These paid checks are called cancelled checks. Always mark these off in your checkbook and keep them on file for a few years. The statement does not list checks you have written but which have not yet been cashed. (See pages 38 and 39 for help in balancing your monthly statement.

114. Q. I've heard the term EFT. What does it mean?
A. EFT stands for electronic funds transfer. It has to do with the use of computers to move money between customers, banks, and creditors.

115. Q. Before I sign any piece of paper--a contract--that says I'll buy something, what questions should I ask?
A. (1) What is the interest rate? (the annual percentage rate or "APR"?)
(2) How much will this cost me in dollars and cents? How much does the item cost? How much does the interest cost?
(3) Does it say exactly what I will be getting for my money?
(4) Are there blank spaces on the contract? (Check this yourself by making sure there are no blanks that can be filled in later, either on the top page or on any of the copies.)
(5) Does it say I have any time to change my mind? (If you're buying from a door-to-door salesman, you should have three business days to change your mind. Make sure you know how to cancel the contract in case you do change your mind.)
(6) What happens if a payment is missed?
(7) What happens if a payment is late?

116. Q. If I sign a contract with a door-to-door salesman and later change my mind, what can I do about it?
A. First of all, buying from a door-to-door salesman is usually not the best way. However, if that is your choice, you have three working days from the date you sign the receipt or contract to change your mind. Your purchase must be worth $25 or more in order for this "cooling off" period to be in effect.

117. Q. How do I notify the salesman I want to cancel the contract?
A. When you sign the contract, the seller must give you a form with his/her name and business address on it, and the date you bought the item. In addition, the seller must give the date by which you can tell him/her that you've changed your mind. This information is written on a Notice of Cancellation. If you want to use this notice, just sign it, add the current date and make sure you get it in the mail before the "cooling off" period is over.

118. Q. When I put a coat on layaway, how do I pay for it?
A. It depends on the arrangement you make with the store. Some stores may have you sign a layaway agreement, and pay a set amount on or before a certain date. Other stores may work out a payment plan similar to an installment contract, but without the interest charges. Read the agreement and ask questions before you sign anything. If you don't follow the terms of the layaway agreement you may lose the money you've already invested in the coat. The terms of the arrangement are usually written on the back of the agreement in small print.

119. Q. What if I decide I don't want the coat after it is half paid for?
A. Again, what happens will depend on the terms of the agreement you signed. Every store has its own policy. You may have to pay the store something for having kept the coat aside for you. You may get a credit on another article instead of getting your money back. Find out what to expect before you put the item on layaway.

120. Q. What happens if I co-sign a loan and the person I've signed with--the principal--doesn't pay?
A. When you are a co-signer on a loan, you have to pay if the principal doesn't. And if you are easier to find than the principal, chances are you'll end up footing the bill. A creditor can go to court and take away your personal property, and you may not even know about it until it's too late. Sometimes a summons to appear in court is issued, but the person named doesn't receive it. This is called "sewer service" and means that the server says a summons has been served when it really hasn't. Since you don't know about the summons, you don't show up in court. The judge may attach a lien against your house or car.

121. Q. What can bill collectors to in trying to collect their money?
A. According to the Fair Debt Collection Practices Act (effective March 1978) here is what they can do:
(1) take reasonable steps to get you to pay, since you do owe the money in question.
(2) phone you and write you, as long as they don't "harass" you (check the list below for what they can't do).
(3) sue you in court, repossess the merchandise, sometimes garnish or attach your wages or property.

Here is what bill collector cannot do:
(1) tell someone else (like your employer) that you owe money.
(2) send you a postcard stating that you owe money.
(3) send a letter to you or about you in an envelope that shows that the letter is about debt collection.
(4) contact you after you have told them to talk with your attorney.
(5) telephone you before 8 a.m. or after 9 p.m.
(6) call you at work after they have been told that your employer does not allow it. (You can tell them that yourself.)
(7) harass you. This includes using or threatening to use violence, using obscene or profane language, calling you a lot on the telephone or making your telephone ring many times with the intent of annoying you.
(8) lie about who they are, or what they can do.

122. Q. Does a collection agency have to notify me before repossessing my car?
A. No. If you read your loan contract carefully, you will probably find written right into the contract that you will not be notified if your car is going to be repossessed.

123. Q. What can I do if I suspect my car is about to be repossessed?
A. You can:
(1) Sell it yourself, with the permission of the creditor. If you sell it for what you owe, you can pay off the loan in full and forget it. Be sure to use the money you get to pay off the loan.
(2) You can try to work out an arrangement that allows someone else to take over the payments. This is a risky thing to do unless you are <u>really</u> sure the person will meet all the payments. If they don't make the payments on the car, you are still responsible since your name is on the loan.
(3) You can let the dealer repossess it. Then it will be sold. If the car sells for less than what you owe, the dealer can go to court and get a judgment (called a deficiency judgment) against you. It means you will still have to pay the rest of the loan plus the service costs. These service costs can be high. Sometimes the sale price of the car is not as good as it might be in a private sale.

124. Q. Where can I go for help if I'm in bad financial trouble?
A. Check out the free credit counseling services in your area. Call the Better Business Bureau, your credit union, or the local office of consumer affairs to see if there is a legitimate credit counseling service near you. If there's no such service, you may be able to get help from the local consumer office, your community credit union, or your local Community Action Program.

125. Q. What will a credit counseling service do?
A. The service will help you take a look at your finances and make a budget. In some cases you can arrange for the service to pay each person you owe. There may be a fee for this service. Again, don't sign anything until you are <u>sure</u> you understand what you are signing.

126. Q. What's involved if I want to declare bankruptcy?
A. First consider all other possibilities.
(1) You may be able to get help through a free credit counseling service. (See "Sources of Help" and question #125.) The counseling service may be able to work out with your creditors a plan for repayment where you would have more time to pay and smaller payments, and they would not report you to the credit reporting service as a bad payer.
(2) There is a legal procedure called Chapter 13 Wage Earner's Plan. Under this you do not have to give up your assets (house, car, etc.) but you do have to hand over your salary, or part of it, every month to a trustee who will pay off your bills within three years. During that time you will not be able to use any credit (charge accounts or loans). This procedure looks better on your credit record than full bankruptcy. Your local legal aid office can advise you about Chapter 13 Wage Earner's Plan.

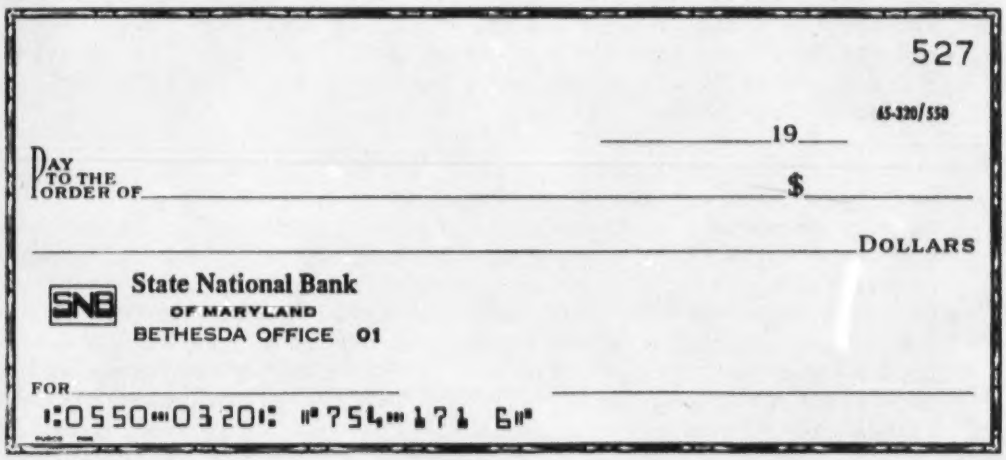
But if your financial situation is really bad, and it looks like it will be impossible to catch up with your debts, you may decide to file for bankruptcy. (You should talk to your legal aid office before making this decision.) You then appear in court and say, "Here is everything I own which is not exempt under the law. Take it, sell it, and divide up the money among my creditors. And in return, cancel all my debts."

Even filing for bankruptcy doesn't cancel all your debts. Federal and state taxes are not cancelled. Neither are alimony or child support payments. Automobile and furniture loans will be cancelled, but the items will be repossessed by the seller. Bankruptcy can only be filed once every six years. Because bankruptcy can protect you from the disaster of a large debt resulting from a damage suit, you should not use it for a relatively minor situation. It would be bad to file bankruptcy to solve a $3,000 debt problem one year, and then face a $60,000 damage suit two years later when you would not be allowed to file bankruptcy again.

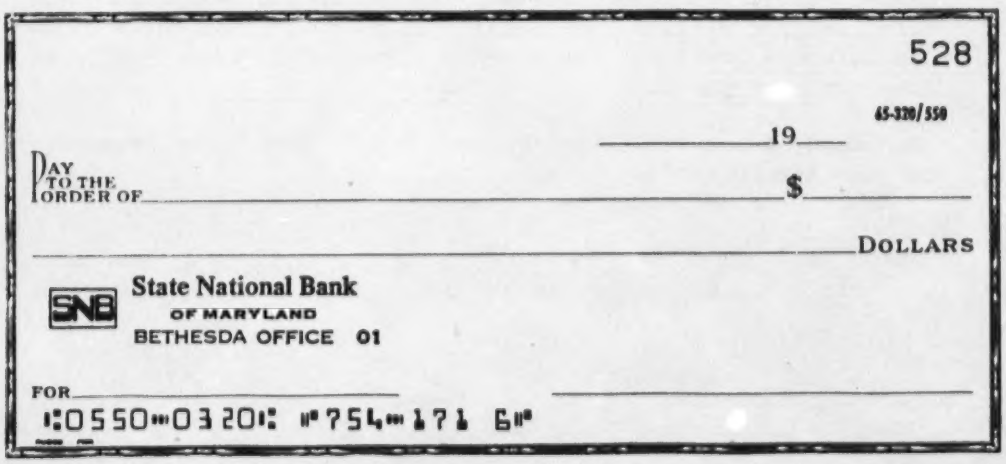
Not all of your possessions are taken away from you when you file for bankruptcy. Some belongings are exempt. You are usually allowed to keep government pensions, some equity in your home, necessary furniture and clothes, some equity in your car, the tools of your trade, and a small savings account. The legal aid office in your area can give you details.

Bankruptcy has a bad effect on your credit record, because it stays on your record for 14 years.

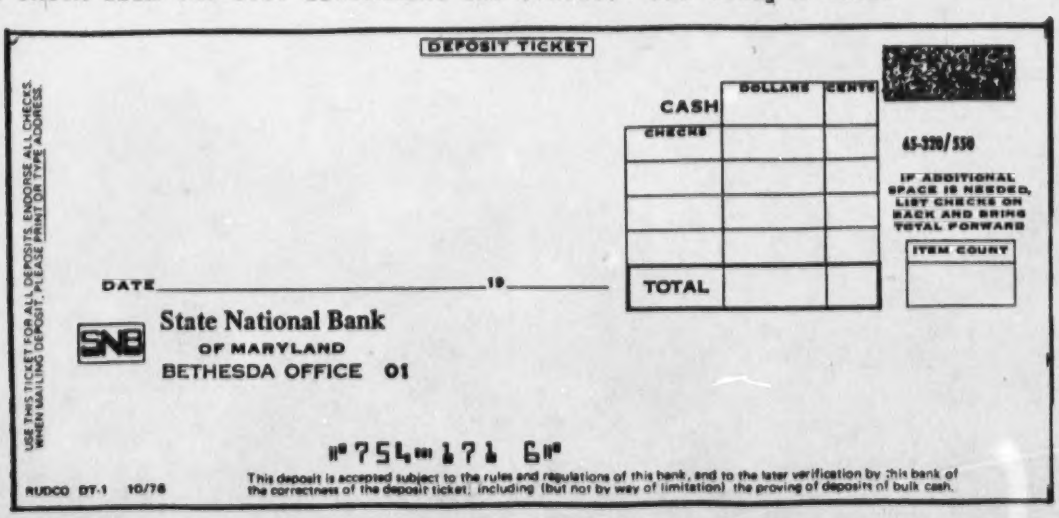
Use these facts to fill out the check below: It is March 24, 1978. Pay a $23.29 bill to the Sunny Valley Electric Company.



Pay $139.00 for rent to the Jones Development Corporation. Today is April 1, 1978.



Fill out the checking account deposit slip below. You are depositing $25.00 cash and a check from the U.S. Government for $75.00. Use today's date.


DEPOSIT TICKET
USE THIS TICKET FOR ALL DEPOSITS. ENDORSE ALL CHECKS. WHEN MAILING DEPOSIT, PLEASE PRINT OR TYPE ADDRESS.
DOLLARS
CENTS
CASH
CHECKS
TOTAL
65-320/550
IF ADDITIONAL SPACE IS NEEDED, LIST CHECKS ON BACK AND BRING TOTAL FORWARD
ITEM COUNT
DATE
19
SNB
State National Bank
OF MARYLAND
BETHESDA OFFICE 01
⑈754⑈171 6⑈
RUDCO DT-1 10/76
This deposit is accepted subject to the rules and regulations of this bank, and to the later verification by this bank of the correctness of the deposit ticket, including (but not by way of limitation) the proving of deposits of bulk cash.

MONTHLY BANK STATEMENT

(front)

UNION TRUST
COMPANY OF MARYLAND
BALTIMORE, MARYLAND 21203

(1) Your Name
Your address
Your city and state

(2) ACCOUNT NUMBER	CYCLE	(3) STATEMENT PERIOD	PAGE
10 754171		08 17 Z- 09 20 7	1

PREVIOUS STATEMENT BALANCE	+ DEPOSITS AND CREDITS ITEMS	DEPOSITS AND CREDITS TOTALS	− CHECKS AND DEBITS ITEMS	CHECKS AND DEBITS TOTALS
(4) 76.30	(5) 2	359.55	(6) 10	230.65

− SERVICE CHARGE	= NEW STATEMENT BALANCE
(7) 2.25	(8) 202.95

CHECKS AND DEBITS				DEPOSITS AND CREDITS		DATE		BALANCE	
10	00					08	18	66	30
35	00					08	22	31	30
4	50					08	30	26	80
1	40	(9) 5	00			09	01	20	40
				159	55	09	02	179	95
152	00					09	10	27	95
8	00					09	13	19	95
10	00			200	00	09	17	209	95
4	75					09	18	205	20
2	25SC					09	19	(10) 202	95

AD - PRE-ARRANGED DEPOSIT
AP - PRE-ARRANGED PAYMENT
CC - CERTIFIED CHECK
CF - CHECK FEE
CK - CHECKBOOK CHARGE
CM - CREDIT MEMO
DM - DEBIT MEMO
LB - LIST OF CHECKS
MD - BANK MACHINE DEPOSIT
MW - BANK MACHINE WITHDRAWAL
OC - OVERDRAFT CHARGE
RC - RETURN CHARGE
RI - RETURNED CHECK
RD - RETURNED DEPOSIT
SC - SERVICE CHARGE

HOW TO READ THE MONTHLY BANK STATEMENT OF YOUR CHECKING ACCOUNT

1. Your name and address will be the first item on the statement.

2. This is your account number; it is printed on all your checks.

3. This statement covers everything that went on in your checking account from August 17, 1977 (08 17 7) to September 20, 1977 (09 20 7).

4. When the bank sent you a statement last month, this amount (76.30) appeared as item 8, New Statement Balance, so that is the amount they began working with this month.

5. Two deposits were received by the bank during this period, 159.55 and 200.00. Together they total 359.55, to be added to your account.

6. Ten items are entered under checks and debits. Nine of these items are checks you wrote that came into the bank. One of the items was another charge (debit). Added together these checks and debits total 230.65, to be subtracted from your account.

7. This bank charges you 2.25 a month to take care of your checking account. The charge varies from bank to bank, and some banks don't charge anything. Find this out before you open your account.

8. The bank takes your previous statement balance of 76.30 (item 4), adds to it your deposits of 359.55 (item 5), then subtracts your checks and debits of 230.65 (item 6), then subtracts your service charge of 2.25, and comes up with a new balance of 202.95. The math looks like this:

$$\begin{array}{r} 76.30 \\ +\ 359.55 \\ \hline 435.85 \\ -\ 230.65 \\ \hline 205.20 \\ -\ \ 2.25 \\ \hline 202.95 \end{array}$$

9. The $5.00 appears in this column because the bank paid two checks on the same day and listed them side-by-side.

10. This ending balance on the statement should agree with #8.

MONTHLY BANK STATEMENT

(back)

You Can Easily

BALANCE YOUR CHECKING ACCOUNT

by Doing These Things

FILL IN BELOW AMOUNTS FROM YOUR Check Book AND Bank Statement

Balance Shown on BANK STATEMENT	(1) $ 202.95	Balance Shown in Your CHECK BOOK	$ 207.15 (7)
Add Deposits Not on Statement: (Including Supercheck Loan Advances)	(2) $ 46.50	Add any Deposits Not Entered in Check Book: (Including Supercheck Loan Advances)	$
Total	(3) $ 249.45	Total	$ 207.15 (8)
Subtract Checks Issued but Not on Statement	(4) $ 23.00, 15.95, 5.60	Subtract any Bank Charges Not in Check Book: (Including Supercheck Loan Payment and Finance Charges)	$ 2.25 (9)
Total	(5) $ 44.55	Total	$ 2.25 (10)
BALANCE	(6) $ 204.90	BALANCE	$ 204.90 (11)

These balances represent the correct amount of money you have in the bank and should agree. Differences, if any, should be reported to the bank within fourteen days after the receipt of your statement.

HOW TO BALANCE YOUR CHECKING ACCOUNT

1. Write in the amount shown in #8 on the bank statement, page 36.

2. List any deposits you have written in your checkbook that don't show up on the bank statement.

3. Add #1 and #2 to get the total amount of money you have to work with.

4. List all the checks you have written in your checkbook that don't show up on the monthly statement.

5. Add all the checks in #4 together.

6. Subtract #5 from #3. This gives you the total amount of money you should have left in your checking account and should agree with #11 when you finish.

7. This is the last balance you have in your checkbook.

8. Since you don't have any deposits that were not listed in your checkbook, #7 is the same as #8.

9. List any charges you owe the bank for handling your account. This could include a monthly service charge, #9, or a charge for a check that was returned for nonsufficient funds (not shown).

10. This shows the total of the bank service charges.

11. Subtract the bank service charge, #10, from #8 and this will give you the total amount of money you should have left in your checking account; #11 should agree with #6.

ASSERTIVENESS

I. Why do we need it?

In credit and warranty situations, people usually want to be assertive, to stand up for their rights, but don't know how. In this course, we are going to be learning and practicing how to be assertive. Certain situations make us anxious, and then we don't act as confidently as we would like to. For many of us, dealing with loan officers in banks, or with credit managers in stores, or with complaint departments when we are unhappy about a product, makes us feel fearful, nervous, frustrated, inadequate, physically uncomfortable, angry, and at a disadvantage.

To make these areas of your life run more smoothly, and to feel happier about yourself is, simply put, the purpose of this course. As we become more familiar, and more at ease, with any given situation, we are less worried and we can better get what we want, and be "in charge" of ourselves and the situation.

To be assertive consumers of credit, we first need to learn the facts. When we don't know what we're talking about, we're on shaky ground and it's hard to stand up, speak out, and stay firm. So that's why the two parts of this course -- learning the facts and learning assertive behavior -- are equally important. We will learn assertiveness as a way of operating, and we will get the information to be assertive in the fields of credit and warranties.

II. What is it?

What does assertive mean? Perhaps the best way to describe assertive is by comparing it with two other terms, non-assertive and aggressive.

Non-assertive behavior says: "You make all the decisions for both of us; I'm not going to say what I want."

Aggressive behavior says: "I'll make all the decisions for both of us; I'm not interested in what you want."

Assertive behavior says: "My rights and needs are important and I respect them; I choose for myself. I also understand that you have rights and needs, and I recognize your right to choose for yourself."

If I am non-assertive and don't say how I feel or what I want, people are going to walk over me. Or at the very least, they will find it hard to cooperate with me because they won't know where I stand. I will feel resentful and unsatisfied.

If I am aggressive, go bulldozing through, without regard to another's wishes or rights, then other people are going to have bad feelings toward me; I got what I went after but have turned others against me, which usually makes me feel guilty.

If I am assertive, I have the satisfaction of stating my wishes and ideas clearly and I have the respect of those I am dealing with. There is a good chance we can both get what we need through cooperation, and feel good about ourselves and each other.

It's important for us to understand the difference between aggressive and assertive. Sometimes you hear it said, "He's very aggressive," or "I'm an aggressive person," in a tone of admiration. Let's look at aggressiveness more closely. The aggressive person has outbursts of temper, bullies other people and puts them down, often has friction with people, is upset when disagreed with, needs to be "right" with the other person "wrong," has few friends and little affection, doesn't care about the opinions of others, and not knowing how to get along pleasantly, is uncomfortable in social situations. Is this really the kind of behavior you admire, or want to have?

Now, what about non-assertiveness? Isn't it "polite" to let others have their way? Isn't it wrong to be "pushy" about yourself? No, it really isn't. Non-assertiveness is not a happy, productive form of behavior. Afraid to be direct, the non-assertive person hopes people will give him what he wants without his asking. But that usually doesn't work, and then he takes out his hurt and resentment in roundabout ways to "get back at" the other person, especially if it's someone he is with often. In dealings with strangers -- and that's what we are talking about in credit situations -- the non-assertive person is in bad shape. He really wants to avoid situations where he feels unsure or fearful. Before and during such times the non-assertive person will be nervous and may have a headache, difficulty in breathing, stomach cramps.

There is a tie between aggressiveness and non-assertiveness. The aggressive person doesn't have the courage to be open and direct, so he non-assertively ignores differences while they are "handleable." He holds back, hides his feelings, doesn't let others know what he likes or doesn't like, doesn't try to find out others' desires or problems. Then when the situation becomes confused or frustrating, he blasts out aggressively.

It is our strong belief that assertiveness -- not aggressiveness nor non-assertiveness -- is the way to go.

To check your understanding, let's try a short test. Using the terms "aggressive," "non-assertive," and "assertive," fill in the blanks appropriately.

I win--you win _____
I win--you lose _____
You win--I lose _____

Your answers should be, in this order, "assertive," "aggressive," "non-assertive."

Do you feel that you are not assertive enough in credit or warranty situations? It's as if throughout your life you have learned (by what people tell, or by your experiences) that you have no right--, or it's not your place--, or you'll never make it--in standing up strongly as an equal with a bank or store official. Now we're telling you that you have a perfect right. It's right, it's okay to assert yourself.

If ever you have a right to be assertive, it's in consumer situations. You are paying, and, therefore, have a perfect right to quality in the goods and services you are purchasing. But, this does not mean you have the right to treat people as less than people. Even when you are buying, respect, courtesy, and good humor should be part of the transaction. Ideally, there is no superior or inferior--just two people working out something they are both pleased with.

We are striking a blow against the feeling that you are helpless. There are ways of expressing yourself, having influence, doing something about the situation. By being assertive, you don't let yourself be a consumer victim.

Those in charge of credit and the market are not out to get us. The system is not against us. It's just our ignorance, our inexperience, and our fear that are against us. So we are going to become experts in how the credit system works. We are going to move assertively within that system and become familiar and comfortable with it.

You can develop assertiveness. One way is by succeeding in a situation. You will succeed in this class. Behavior can be changed first and attitude second. You will practice new assertive behavior and not worry about your attitude; that will follow. Assertiveness is self-rewarding. It feels good when others begin to pay more attention to you, when you find things going your way more often. And you can make these changes happen.

Usually, you'll find your new assertiveness will cause good things to happen. Even though there will be times when you don't get everything you want, and there will be situations where you will choose not to be assertive, you'll find out how good it feels to speak up for yourself. You'll know that you did what you could. How much chance do you have of getting what you want when you do nothing?

There will be times during this course that the instructors, or maybe other classmates, will act out a situation in a way that they think is right, and it's a help for you to see this so you can model your own behavior that way. But remember, that will be one way of being assertive in the situation; you won't want to imitate it word for word and gesture for gesture. You are a unique person, so find an assertive style that's comfortable for you.

III. **Assertive asking**

When you want something, or perhaps want something changed, you may be able to do that acting on your own.

But sometimes your need or desire can only be met by getting someone else's agreement or cooperation; in such cases you must ask assertively. Here are some techniques you can use.

The whole idea is to follow a problem-solving approach. First get clear in your own mind just what the problem is, or exactly what it is you want or need. State that clearly, in words, to yourself. (This isn't as easy as it sounds; talking it through with an uninvolved person often helps.)

Now go to the "someone else." Admit there is a problem, and state it as you see it--in terms of your need or desire, not in terms of their "fault." Tell them you would like their help in working something out. State your limits--what you are willing to do, and what you are not willing to do. Listen to their reactions and suggestions. Have ready some suggestions or alternatives of your own. Keep an even temper and a cooperative attitude--look for some workable solution you can both accept. Don't attack or accuse the other person; this makes them defensive, and unwilling to work something out. Keep at it; keep coming back to "Okay, what could we work out?"

In any encounter--including a consumer situation--your goal is to find a solution that will leave both people feeling good. In searching for this, be willing to do some of the accommodating, if such is needed. This is heading for a "workable compromise"; it shows the other person you will give, too, in working out a fair solution. We are suggesting that you go into every consumer encounter with a positive attitude--expecting to give and get cooperation.

Now it will happen sometimes that in spite of your positive attitude and approach, the other person will be rude and unhelpful. Then it's time to consciously keep your cool, and become more firmly assertive.

The first thing to do is to ask yourself how you are feeling, and to honestly express this to the other person. Talk to her/him as a person, not as a "salesperson" or "mechanic." You could way, "I'm feeling angry because it seems like you aren't hearing me." Or, if the person is acting hostile, you might say, "It seems like you're really annoyed with me; have I done something wrong?" Then, when you have given some attention to feelings--yours and the other person's--get on with finding a solution to the problem.

Here is a situation dealing with a professional. Sometimes we feel that we must make all the accommodation to a doctor, lawyer, accountant, and that they don't owe us any consideration. Very unassertive thinking. Let's see how it might go if we dealt with a professional person in an assertive manner.

You had an appointment with your lawyer at 1 p.m. You arrived 10 minutes early and waited in the reception room until 1:30. At that point your lawyer walked in from lunch, nodded to you, asked the secretary if there were any messages, and went into her office. Fifteen minutes later the secretary tells you to go in. You decide to express your displeasure.

Lawyer: Hello, Ms. Smith, how are you?

You: Right now I am feeling very annoyed and put upon. First, I had to wait 30 minutes for you, then you came in without any explanation about being late, and then you kept me waiting 15 minutes more and you still offer no explanation. I am really upset about the whole thing. (Remember that being assertive is more than the words you are using. If you are feeling upset, that feeling should be reflected through your eye contact, your voice qualities, your body posture, and so on. For example, you should not be smiling while telling her you are upset.)

Lawyer: My morning was just jammed, and I had an important lunch appointment.

You: I realize that as a professional you have a lot of important business to take care of. I feel that my time is important, too. And I don't like waiting an hour for an appointment. I would like to talk to you about some way this can be avoided in the future.

Lawyer: Well, a lawyer never knows how her day is going to go. That's just the way it is.

--- --- --- --- --- ---

Your next response will depend upon how the lawyer is saying her replies, especially in her facial expression, voice tone, volume, and inflection. If she is apologetic you would have one response (cooperative problem-solving approach) and if she is rude or sarcastic you would have another (more firmly assertive).

If her last response was rude or sarcastic, you might say:

You: Your attitude really bothers me. I told you that I can understand that you are busy, but I feel that you should take my feelings more into consideration. I just don't want to wait so long for appointments. Do you have any suggestions as to how this can be avoided in the future?

If her last response was apologetic in tone, you might say:

You: I can understand that you are busy, but I don't want to wait so long for appointments. Do you have any suggestions as to how this can be avoided in the future?

--- --- --- --- --- ---

Now go on with the dialogue.

Lawyer: No, it's impossible.

You: I've done some thinking about this. I would be willing to call your office 30 minutes ahead of my appointment to see how your schedule is running.

Lawyer: You could do that. But I still can't guarantee you wouldn't have to wait.

You: I understand that you can't predict to the minute how your appointments are going to run. And I don't mind waiting up to 15 minutes. If it's going to be more than that I would like to know about it. How do you think it would work if I would call ahead?

Lawyer: Well, we can try it. As a matter of fact, I get uncomfortable myself when I have one client in my office and another client waiting for a long time.

You: So from now on I'll call ahead and see if we can coordinate our time better.

Lawyer: Fine.

* * *

IV. Assertive resistance

One important part of being assertive is learning to say no. Too often we are pressured into doing something we don't want to do. These pressures may be real or imagined. That is, the person may be actually using ploys or manipulations, or he may just be expressing honest feelings to which you are over-reacting by reading too much into the response.

Regardless of whether it comes from you or from the other person, there seem to be four major forms of pressure.

Guilt. The pressurer tries to make you feel guilty if you don't do what he wants you to. Or he may try to make you feel guilty about something you have done or haven't done, so then you will grant his wish "to make up for it." You can easily recognize the guilt ploy. "Any good mother would be willing to --- ."

Flattery. The pressurer wants to butter you up so you will slide into agreement. "You are so kind, capable, friendly, etc. -- you are perfect for this."

Responsibility for another's problem. "I just don't know what I'm going to do, if you won't help me." Pressurer tries to shift her problem onto you. Related to guilt.

Attack. The pressurer becomes angry which makes you feel like he is using anger as a weapon in order to intimidate you into complying. "It makes me sick that creeps like you expect --- ."

--- --- --- ---

There are several neutralizing techniques you can use against these pressures.

Clear statement of position. "I won't be able to do that." "No, I have other plans." "I'm not interested, thanks." You don't have to explain why, especially to people you don't know well. The more you explain, the more fuel you furnish for argument.

Broken record. You may need to make your statement several times. Your strength lies in not changing your response. Just say "I understand, but I won't be able to do that." "I'm sure you do, but I won't be able to do that." The conversation will be over soon. (Note: Broken Record should only be used where you clearly feel that the person is repeatedly not listening to your refusal. Before you use Broken Record, try saying, "I don't think you're listening to me; I've already said no." If the person keeps on, go into Broken Record as a last resort.)

No apologies or excuses. Very important. You don't need to apologize when you say "no." The pressurer is expecting you to, and when you don't you put out his fire.

Appreciating or recognizing the other's position. "I can see you have a problem." "I'm sure it is discouraging." "This is very frustrating to you." Don't argue with his position; it just doesn't affect you.

Model Letter #1

ASKING A CREDIT REPORTING SERVICE FOR DISCLOSURE OF YOUR CREDIT FILE

If you have been denied credit because of information in your credit file, it will cost you nothing to find out the contents of your credit file. If you have not been denied credit on this basis, you can still find out what is in your credit file. Some credit reporting services furnish this information free; others charge a small fee.

Information about locations and policies of credit reporting services in your area will be furnished by your instructor. Write that information here:

If you don't want to visit the credit reporting service, you can write requesting a report. Depending on the policies of credit reporting services in your area, use the appropriate letter--#1a or #1b. Keep a copy of your letter.

Model Letter #1a

ASKING FOR WRITTEN DISCLOSURE OF YOUR CREDIT FILE

Your address
City, State, Zip Code
Date

Name of credit reporting service
(such as TRW or Credit Bureau, Inc.)
Address
City, State, Zip Code

Please mail me a report disclosing the entire contents of my credit file. My full name is _____. My social security number is_____. I have lived at _____ _____for ___ years. My previous addresses for the past five years were _____.
My spouse's name is _____.

I am enclosing the required fee for this service. (If credit was not denied.)

Sincerely,

Enclosure: check

Model letter #1b

ASKING FOR TELEPHONE DISCLOSURE OF YOUR CREDIT FILE

Your address
City, State, Zip Code
Date

Company name
Address
City, State, Zip Code

I would like to know the entire contents of my credit file. My full name is _____; I have lived for ____ years at _____. My former address was _____ _____. My spouse's name is _____. My telephone number is_____; please call me during the day at that number.

I am enclosing $4.00 for this service. (If credit was not denied and a fee is necessary.)

Sincerely,

Enclosure: check

Model Letter #2

REPORTING LOSS OR THEFT OF CREDIT CARD

When you discover the loss or theft of your credit card, telephone the credit card company immediately. In this space fill in the telephone numbers and address as your instructor gives them to you.

American Express

Visa (BankAmericard) Call the bank that issued your card

Master Charge

Local credit card companies

Get the name of the person you talk to.

Legally, it is not necessary to write the company, just to telephone. But it is an extra safeguard to you to follow your call with written notice. A postcard will do.

You need to know your credit card number. If you don't have that information, call the bank that issued it; they will have a record.

Your address
City, State, Zip Code
Date

Name of credit card company
Name of bank
Address
City, State, Zip Code

This is my written notification to you that my credit card #_____, in the name of Your name or spouse's name) was lost (stolen) on ___(date)___. (if you don't know exactly when it happened, say "recently.")

I reported this on ___(date)___ to (name of person you talked to in your office. This letter is a confirmation of that report.

Sincerely,

Model letter #3a

ASKING WHY YOUR REQUEST FOR CREDIT WAS DENIED

Usually a letter denying credit will give the reason for denial; legally a company is required to do this only when the denial is based on information received from a credit reporting service. If the letter of denial does not tell you exactly why you were turned down, send this letter.

Address this to the person who signed the notice of credit denial (from the bank, credit card company, or store). If the notice isn't signed, call the store, bank, company for the name of the credit manager or loan officer. Keep a copy of your letter.

Your address
City, State, Zip Code
Date

Name of credit manager or loan officer
Store (or bank or company)
Address
City, State, Zip Code

Dear _____:

Recently I received a letter from you (or your company) telling me I have been turned down for a charge account (or bank loan, or credit card). Please write and let me know exactly why I was denied credit.

Sincerely,

Model letter #3b

ASKING FOR RECONSIDERATION OF CREDIT DENIAL

When the bank (or store, or credit card company) has denied your application for credit, and has stated specifically why credit was denied, you can make a case for yourself, and attempt to convince the credit person that you really are a good credit risk. Get a personal (financial) statement from any bank. It provides an opportunity for you to present more facts--to your benefit--than the shorter credit application.

You will want to make your case in person. You may telephone for an appointment saying to the person who signed your letter of credit denial:
"Recently I received a letter from you telling me I have been turned down for a charge account (or bank loan, or credit card). I would like to come in and talk with you about it. When could I have an appointment?"

Probably you will be given an appointment without any hassle, but if the person tries to tell you it's no use, or tries to question you on the phone, be assertive. Say "I would really like to come in and talk about it." Keep saying it.

If it is absolutely impossible for you to go in in person, you can write a letter setting forth facts or circumstances you think would make a difference in the credit decision. You may want to send along a financial statement (see above). Your letter could be like this.

Model letter #3b(cont.)

Your address
City, State, Zip Code
Date

Name of person who signed credit denial
Name of store (or bank or credit card company)
Address
City, State, Zip Code

Dear _____,

Recently I received a letter from you (or your company) telling me I have been turned down for a charge account (or bank loan, or credit card).

I would like you to reconsider that decision.

Here are some facts about my financial situation that my application doesn't tell.

I hope you will decide to grant me credit. Please call me at _____ if you have any questions.

Sincerely,

Model letter #4

NOTIFYING STORE OF BILLING ERROR

Before writing, telephone the credit department. Get the name of the person you are talking to. Tell that person what your bill says, and why you think this is an error. Listen to the credit person's explanation; perhaps this can clear up the misunderstanding.

If the credit person acknowledges that the store is in error, and promises to make an adjustment, write model letter 4a. Keep a copy of your letter.

But if you are not satisfied after your conversation, write model letter 4b. Keep a copy of your letter.

Model letter #4a

(If a credit person promised you on the telephone that the store would correct their error)

Your address
City, State, Zip Code
Date

Credit Manager
Name of department store
Address of store
City, State, Zip Code

Dear Credit Manager:

On (date) I talked on the telephone with Mr/Ms (name) of your credit department concerning an error in my bill from your store. Mr/Ms. _____ agreed that the store had made an error and assured me that the error would be corrected.

The bill showed _____, but this was incorrect because _____. I am glad this will now be corrected.

Sincerely,

(Note: It is a good idea to send a copy of your bill to the store. If you do, add this final sentence to the last paragraph, "I am enclosing a copy of the bill in question.")

Model letter #4b
(If, after talking on the telephone with the store's credit person, you are not satisfied and still believe the store has made a billing error)

Your address
City, State, Zip Code
Date

Credit Manager
Name of store
Address of store
City, State, Zip Code

Dear Credit Manager:

I believe there is an error in my bill from your store. I have telephoned and talked with Mr/Ms. (name) of your credit department, but we were unable to reach an understanding that is satisfactory to me.

Your bill shows _____. This is not correct because _____.
I appreciate your correcting this error.

Sincerely,

(Note: It is a good idea to send a copy of your bill to the store. If you do, add this final sentence to the last paragraph, "I am enclosing a copy of the bill in question.")

Model letter #5

SEEKING SATISFACTION ON A WARRANTED ITEM

You will need some proof of purchase--the warranty card, or a sales slip. Your first step will be to call the store, ask for the department where you made your purchase, and explain your problem. Get the name of the person you are talking to. Usually you will be asked to bring in the faulty item (or if it's something large and bulky, arrangements will be made for truck pickup).

If you are not able to get satisfaction by telephone and in person, you will want to write a letter. Keep a copy of your letter.

Model letter #5a
(writing to the store)

Your address
City, State, Zip Code
Date

Complaint Department
Name of company
Address
City, State, Zip Code

I am writing to ask for satisfaction on a warranted item I bought at your store.

On (date) I bought (item). The price was _____. (Give all other information about item.)

The (item) is not satisfactory for this reason: (State problem).

I would like a refund (or replacement, or repair, whichever you want).

I have tried to settle this by telephone, without success. I talked to (name) in the _____ Department, who told me the store couldn't do anything about my problem (or whatever the person said). My warranty is good for (time period) so I am clearly entitled to service on it.

I appreciate your prompt attention to the satisfaction of my warranty. You may call me at (telephone number) during the day.

Sincerely,

(Note: It is a good idea to send a copy of your warranty card or purchase receipt to the company. If you do, add this final sentence to the last paragraph: "I am enclosing a copy of the warranty card (or purchase receipt) for the (item)."

If you are not able to get satisfaction from the store where the item was purchased, you may write to the distributor of the product, or to the president of the chain (if the store is part of a chain). To get this person's name and address, call the business office of the store; they should give it to you. If they don't, call the library; they can look up officers and executive office addresses for all major companies.

Model letter #5b

(writing to distributor or president of chain)

Your address
City, State, Zip Code
Date

President (or Manager or Director)
Name of company
Address
City, State, Zip Code

I am writing to ask for your help with a problem. In spite of my best efforts, I have so far been unable to get satisfaction on a warranted item I bought at the _____ store, located at (address,city and state).

On (date) I bought (item). The price was _____. (Give all other information about item.)

The (item) is not satisfactory for this reason: (State problem).

Therefore I would like a refund (or replacement, or repair, whichever you want).

I have tried to settle this with the store, without success. I talked to (name) in the _____ Department, who wasn't able to help me (or whatever the person said). Then I wrote to (name), manager of the store (or manager of complaint department, or whoever you wrote to before), but was told that they had no responsibility for making good on the product (or whatever they told you).

My warranty is good for (time period), so I am clearly entitled to service on it. I feel sure that you are concerned with your company's integrity in standing behind its products.

If talking with me further would help you to settle this matter, please call me at (telephone number) during the day.

Sincerely,

(Note: It is a good idea to send a copy of your warranty card or purchase receipt with the letter. If you do, add this final sentence to the last paragraph: "I am enclosing a copy of the _____ for the (item).")

Model letter #6
(writing to credit manager of store, bank, or utility company or anyone you owe money to)

If you are in a financial bind and will have trouble paying your bills for a while, let your creditors know. Tell them you will start paying again when things ease up (give a definite date if you can).

If you make the first move, it will reassure your creditors and cut down on unpleasant letters and calls. And, very important, it will protect your credit rating, because creditors probably will not report you as delinquent if they believe you are really trying to pay your bills. Even banks and utility companies will usually cooperate.

Your address
City, State, Zip Code
Date

Credit Manager
Name of company
Address
City, State, Zip Code

I am writing to ask for your patience and cooperation. Because of an unexpected situation (if you like, be specific as to illness, death, moving, loss of job) I will not be able to pay my account with you as agreed. I will continue to pay $____ per month (or, if you cannot do this, give a specific date when payments will resume).

It is important to me to protect my good credit rating, and I know it is important to you to know that I intend to fulfill my responsibility.

I appreciate your understanding.

Sincerely,

GLOSSARY

applicant---person who applies for credit

annual percentage rate (APR)---the rate of interest you pay on a loan in a year's time. Same as simple interest.

assets---property, car, stocks and bonds, debts for which you hold notes, savings account, cash value of life insurance

billing cycle---the number of days you have within which to pay a bill without penalty

cash advance---money obtained through use of a credit card, usually at a bank

closed-end credit---agreement to pay for a purchased item with a specific number and amount of payments over a definite period of time; see installment credit

closed-end loan---a loan for a certain amount of money with specific monthly payments to be paid over a definite period of time, such as a car loan or a home improvement loan; see installment loan

collateral---property, car, stocks, bonds, savings account which may be used to secure loans

co-signer---a person who signs someone else's loan and becomes equally responsible for it

credit---legal means of delaying payment on purchases of goods and services; also, ability to obtain a loan of money or purchase on trust

credit application---form which, when filled out and returned to the lender, is used to judge your creditworthiness for a loan, credit card, retail charge account, or other form of credit

Credit Bureau, Inc---CBI is a major credit reporting service. See credit reporting service

credit card---charge plate

credit file---information on one's debts and paying habits listed with a credit reporting service or other financial agency; same as credit history

credit history---record of a person's borrowing and payments; see credit file

GLOSSARY (cont.)

credit limit---1) predetermined amount of money available for a person to borrow based on character (history), capacity (income-obligations), and capital; 2) line of credit set by store or bank

credit report---1)historical record of a person's credit background, usually stored in a central file in a credit reporting agency; 2) record of how you have paid financial debts. Same as credit file

credit reporting service---business that collects consumer credit information from its members, organizes this information and supplies it back to members requesting it, for a fee; simply put, it keeps records of people who have credit and their bill-paying habits

creditor---1) a credit grantor, 2) firm extending credit to others, 3) an individual or company to whom another owes money

creditworthiness---ability and willingness to repay as shown in credit history

debt---amount of money a person owes to others

default---failure to repay a loan

finance charge---total of all charges which you must pay directly or indirectly for credit

full warranty---a guarantee to the purchaser that should the warranted product be defective or fail to perform correctly for a specified length of time, the seller will make remedy without charge

installment credit---same as closed-end credit

installment loan---same as closed-end loan

interest---compensation for the use of a lender's money; interest rates are established by state law

late charges---a charge, in addition to the interest, which the creditor can add to a payment if the payment is too late---usually 10-15 days after it is due

lien---right of the lender to take possession of collateral if the borrower defaults on a loan

limited warranty--on a warranted product, guarantees only certain parts, or certain performance, and excludes others; what it covers must be clearly stated

GLOSSARY (cont.)

line of credit---1) credit for a certain amount of money that a lending institution will make available to you whenever you want it, say up to $1,000; based upon your income and ability to repay; 2) maximum amount of credit a lender will extend to a borrower at any one time

loan contract---contract that specifies the terms for the loan and includes the following information: amount of money to be borrowed; amount of finance charge; date on which finance charge begins to accrue; annual percentage rate; number, amount, and due dates of payments; down payment; description of any collateral held by the creditor (if it is a secured loan)

mortgage---a document pledging property to a creditor to secure payment of a loan

principal---amount of money you borrow, without counting the interest

open-end credit---a continuing line-of-credit arrangement under which you can charge your purchases and pay for them on a monthly payment basis; charge accounts with department stores or credit card companies are examples of open-end loans

overdraft checking account---regular bank checking account that has a line of credit attached and lets you write a check over and above your balance; the overdraft amount is credited to your account as a loan on which you start paying interest immediately

Regulation B---the Equal Credit Opportunity Act, which prohibits discrimination in lending based on sex, marital status, age, race, religion, color, national origin, receipt of public assistance funds, and exercise of rights under the Consumer Credit Protection Act

Regulation Z---Truth in Lending, legislation which 1) requires creditors to tell consumers exactly how much interest---expressed in percentage and money figures---they are paying on any credit transaction, and 2) guarantees certain other protections in using credit

revolving charge account---an open-end loan under which you can make extended monthly payments for purchases; interest is based on the outstanding balance. If you pay the full amount owed within 30 days after the date of the billing statement, there is no finance charge

GLOSSARY (cont.)

revolving credit---same as open-end credit; as you charge purchases, your amount of available credit goes down; as you repay, the amount of usable credit increases, up to your pre-determined limit

separate maintenance---an allowance granted to a wife for the support of herself and/or her children while living apart from her husband (before legal separation or divorce)

simple interest---same as Annual Percentage Rate (APR)

third party mechanism---an agency that will negotiate, or even arbitrate, disputes between sellers and buyers

TRW---a major credit reporting service. See credit reporting service

SOURCES OF HELP

Q. What legislation specfically protects me in the fields of credit and warranties?

A. 1) Federal Equal Credit Opportunity Act; 2) Truth in Lending Act; 3) Fair Credit Reporting Act; 4) Magnuson-Moss - Federal Trade Commission Improvement Act.

Q. Where can I go if I feel I've been treated unfairly in a credit situation and have been unsuccessful in taking care of it myself?

A. Contact:

Director, Division of Consumer Affairs
Federal Reserve Board
20th and Constitution Ave., N.W.
Washington, D.C. 20551
202-452-3667

The Federal Reserve Board is keeping subject records of complaints, to look for patterns. If your complaint isn't within the Board's scope of responsibility, the Board will forward it to the proper agency.

Q. Can I get help on credit matters from local offices of consumer affairs?

A. Yes, although the authority of these offices varies widely from locale to locale, and from state to state. Because these offices are usually geared toward trade practices, you may get more help with warranty than with credit situations. In this space record the information your instructor gives you.

For warranty problems, if there is no Consumer Affairs Office in your area, get in touch with the

Federal Trade Commission
Bureau of Consumer Protection
633 Indiana Ave., N.W.
Washington, D.C. 20580
(202) 523-3727

BIBLIOGRAPHY

Our philosophy about bibliographies is that they should be highly useful. So we have not filled this page with every publication we know about that is connected with our subjects of concern. Rather, we have included just a few important publications. Specifically, we have listed five excellent books, ones we recommend to our friends. All are available in paperback.

The course and the manual do present, we believe, the essence of the legal documents which constitute consumer protection in the fields of credit and warranties. However, in case you want to read the original legislation for yourself, the four legislative acts on which this course is based, are listed.

Money Management If you have Sylvia Porter's book, you don't need any other. It's a big book, and you won't read it through. But keep it as an excellent reference.

Porter, Sylvia, SYLVIA PORTER'S MONEY BOOK, Doubleday & Co. Garden City, N.Y. 1975. Paperback $5.95. Hardcover $14.95

Assertiveness We have listed these in order of our preference:

Smith, Manuel J., WHEN I SAY NO, I FEEL GUILTY, Bantam Books, New York, 1975. Paperback $1.95

Phelps, Stanlee and Austin, Nancy, THE ASSERTIVE WOMAN, Impact Press, Box 1094, San Luis Obispo, California 93406 1975. Paperback $3.95

Alberti, Robert and Emmons, Michael, STAND UP, SPEAK OUT, TALK BACK, Pocket Books, Simon & Schuster, N.Y. 1975. Paperback $1.95

Alberti, Robert and Emmons, Michael, YOUR PERFECT RIGHT, Impact Press, Box 1094, San Luis Obispo, California 93406 1976. Paperback $2.50

Legislation All are free

FAIR CREDIT REPORTING ACT Federal Trade Commission
6th & Penn. Ave., N.W.
Washington, D.C. 20580

Public Reference Branch, Rm. 130
523-3598

EQUAL CREDIT OPPORTUNITY (Regulation B) Federal Reserve Board, Washington D.C. 20551. Office of Public Affairs 452-3000

TRUTH IN LENDING (Regulation Z) Federal Reserve Board (above)

MAGNUSON-MOSS - FEDERAL TRADE COMMISSION IMPROVEMENT ACT (Warranties) Federal Trade Commission (address above)

EYE CONTACT CHECKLIST

Listener observations

1. How steady was eye contact?

2. How often did the speaker look away?

3. Did the speaker seem to avoid looking at you?

4. Were you comfortable when your partner was speaking?

5. Could you tell when the speaker was looking exactly at your eyes, or when looking near the eyes?

Speaker observations

1. Did the listener seem to avoid eye contact?

2. Were you comfortable when speaking?

3. Was it hard for you to look at your partner's face?

4. Did you look at nose, eyebrows, etc. instead of eyes?

ASSERTIVENESS CHECKLIST

YES	or	NO		
___		___	1.	Did the person state the problem clearly, without accusing or apologizing?
___		___	2.	Did (s)he ask for assistance or cooperation?
___		___	3.	Did (s)he seem confident and at ease?
___		___	4.	Was eye contact maintained most of the time?
___		___	5.	Did (s)he refrain from over-smiling and giggling?
___		___	6.	Was voice clear, low, firm, steady?
___		___	7.	Did (s)he keep hands away from face and hair?
___		___	8.	Did (s)he refrain from insults, putdowns, sarcasm, hollow threats?
___		___	9.	Did (s)he make any suggestions for resolution?
___		___	10.	Was (s)he persistent?
___		___	11.	Did (s)he express understanding for the other person's position or statements?
___		___	12.	Was the situation resolved or further action mentioned?

CREDIT CARD WORKSHEET

HOW DOES MY CREDIT CARD WORK?

Directions: Fill in the information below, regarding all credit cards you now have. You may need to refer to pamphlets which were sent to you when the card was issued, and you may wish to call the credit card office.

If you do not have a credit card now, get the application blank from the pocket of the manual, and fill it out, even if you do not intend to submit it. You may need to get more information than is contained on the application blank, by calling the credit card office.

* * * * * *

What credit card(s) do I have?
or
What credit card am I applying for?

How did I (will I) get it? Through a bank, or some other way?

Does it cost anything to get this card? How much?

Do I pay finance charges on what I buy with my credit card?
What's the procedure?

Can I use it for installment buying? Under what circumstances?

Does my credit card company have a family plan?
How does it work?

Who, besides myself, can use my credit card?

If my card is lost or stolen, am I liable for purchases made by an unauthorized person? Are there any restrictions?

Can I borrow money on my credit card? How?

Are there any other features? What are they?

How does the convenience of my credit card compare with using a personal check? What have been my experiences?

ANALYZING MY CREDIT SITUATION

(None of the information on this sheet will be shared in class)

MORTGAGE

What was the initial amount of my mortgage? _____

What is the balance? _____

What rate of interest am I paying? _____
(Look on your settlement sheet; or if before 1969, call the bank.)

LOANS

What loans do I have outstanding? (List)

Bank	Purpose	Int. Rate	Monthly Payment	Total # of paymts	When will loan be finished	Initial amount	Balance

CHARGE ACCOUNTS (list)

Store	Type of account	Line of credit	Most I charged	Monthly payment	Present balance

CREDIT CARDS

Company	Line of Credit	Do I usually pay within 30 days?	Any outstanding balance?

CHECKING ACCOUNTS

Where?	Is there a line-of credit feature?	At what rate of interest?	Balance

My total yearly income (Wages, interest, alimony, child support, social security, welfare) _____

Total debt not including mortgage _____

WARRANTY WORKSHEET

Bring in several warranties from products you have purchased. At least one should be on a purchase made before 1975; one should be 1975 or later.

Worksheet to be filled in in class:

1. What is the date on your warranty?
2. When does the warranty begin?
3. a) How long does it last?
   b) Are there any statements that time limits are not allowed in certain states?
4. To whom is the warranty guaranteed? Original owner only? Anyone who owns it?
5. What parts, etc. are covered? Which not covered?
6. Exactly what will the warrantor do in the event of failure? What will the warrantor not do?
7. What steps must the consumer take to get action on the warranty obligation?
8. Are you told that you must mail in a warranty card at the time of purchase?
9. Do you see anything that tells you how a dispute will be settled, in case you and the warrantor can't agree?
10. Is there anything about incidental or consequential damages?
11. Is there a statement such as, "You may have other rights which vary from state to state"?

SITUATIONS FOR ROLEPLAY

1. _____ _____ _____ _____
Actor Foil Observer Observer

There is a strange noise in your car engine, so you take it in to the shop. You tell the repairman your story and he says, "That engine's gonna need some work, for sure; want us to go ahead and fix it?"

2. _____ _____ _____ _____
Actor Foil Observer Observer

You bought a mattress in June. In September the bindings began coming off. At your request the mattress was picked up, and the bindings restitched. In January the bindings began ripping out again. You called the store and told them you wanted the mattress recovered. The store picked up the mattress. Now you get a call asking when they can deliver the mattress now that the bindings have been restitched (mattress has not been recovered).

3. _____ _____ _____ _____
Actor Foil Observer Observer

Your doctor has an excellent reputation for his medical skills. He is also extremely busy and doesn't take the time to talk with you. During this visit to the doctor, ask for the information, change of prescription, or reassurance you want.

4. _____ _____ _____ _____
Actor Foil Observer Observer

You bought a new pair of dress shoes to wear for several upcoming occasions. The first time you wear them, the heel comes off. Return them to the store and ask for a refund.

5. _____ _____ _____ _____
Actor Foil Observer Observer

You just had the brakes fixed on your car. You pay for the job and drive it out of the shop. At the first stoplight the brakes work fine, but now they squeak. You return to have them fixed so they don't squeak.

The <u>foil</u> is the one who is playing the part of the business-person with whom you are practicing assertive behavior.